

The NATIONAL UNDERWRITER



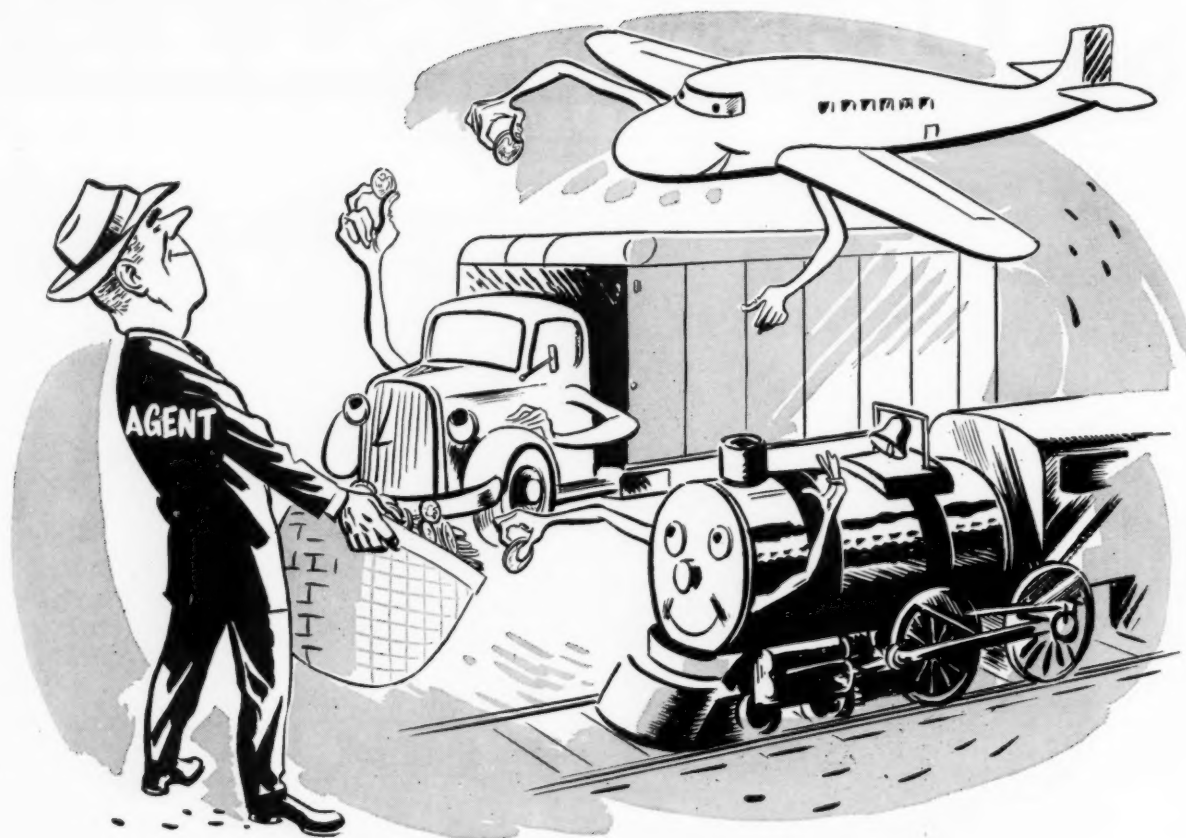
When dog takes chunk out of man, there's an excellent chance that the victim will turn around and take his pound of flesh—not from the dog, but from the owner.

Dogs, of course, are not the only cause of liability suits. Falling tree limbs, slippery walks and steps, children's toys carelessly dropped, hard-driven golf balls, all bring on the annual crop of expensive lawsuits. Whatever the reason, it is to your advantage to see that your clients keep their bank accounts *intact*. An unprotected customer who suddenly finds himself being sued for every "sou" he has, can easily turn around and snap at you.

You will find the Travelers excellent sales material valuable in helping you sell your customers Comprehensive Personal Liability coverage. Each piece of literature is designed to help you convince prospects that this inexpensive protection is something no wise home-owner should ever be without.

THE TRAVELERS INSURANCE COMPANY
HARTFORD, CONNECTICUT

THURSDAY, JUNE 22, 1950



There's Money for YOU in Transportation Insurance

Practically all companies doing business on a statewide, regional or national basis ship merchandise or products by train, plane, truck, express or coastwise ship that should be insured. Many shippers depend on the carriers' responsibility without knowing how limited that protection is. In many cases all risk transportation insurance actually costs less than the limited coverage offered by the carriers—and the insurance you write is *always* less troublesome for the shipper.

Most manufacturers, many wholesalers, some stores and, of course, all mail order houses need transportation insurance, but many of them don't have it — largely because it hasn't been offered to them by an insurance man who knows how to apply it to individual situations. The Security Insurance Companies have just prepared a new up-to-date Bulletin which is a simplified analysis of the selling points of transportation insurance by the various modes of shipping. Our agents are finding this Bulletin extremely valuable in selling this coverage. Also available is a new folder to send to or leave with prospects that attractively presents the need for transportation insurance.

Security Insurance Companies

HOME OFFICE: NEW HAVEN, CONNECTICUT

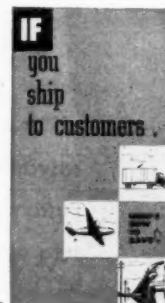


Security Insurance Company of New Haven
The East & West Insurance Company of New Haven
New Haven Underwriters
The Connecticut Indemnity Company

1841 — "SECURITY," THE NATION'S WATCHWORD — 1950

Six times a year the Security Insurance Companies offer a valuable, helpful selling plan, usually including *new* information on some form of insurance that can build clientele and new commissions for its representatives.

If you would like to see the informative new Bulletin and the eye-catching, two-color folder on transportation insurance, simply complete the coupon and mail it. This helpful material will be sent to you by mail, and there will be no cost or obligation. Why not do it *now*, before you forget?



Security Insurance Companies
New Haven, Connecticut

Please mail me, without cost or obligation, a copy of your new Bulletin on Transportation Insurance and a sample of your new folder "If You Ship to Customers — Here's How to Save."

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California Upholds Lloyds Placement of Fire Deductible

No Admitted Market for Legitimate Demand, Benjamin Rules

In his decision following California department hearings on the propriety of a Lloyds placement of a \$50,000 deductible fire line by Carnation Co., Harold A. Benjamin, deputy commissioner, has upheld the action of the insured and of the broker, Fred S. James & Co.

Mr. Benjamin concludes that on March 1, 1950, there was no market for the subject insurance on a deductible basis in the majority of the admitted insurers. There being no rate in the admitted market for the coverage, placing it in the non-admitted market was not at a lower rate of premium, he maintains. He rules that the type of coverage sought is a reasonable one from the standpoint of an insured and cannot be considered as a mere device for avoiding the admitted insurance market. The contention that the motive of Carnation Co. in adopting a partial self-insurance program was the reduction of its insurance costs and therefore involved a violation of Section 1763 of the insurance code he declares without merit.

Mr. Benjamin in his ruling states: "The rate advantage provision of Section 1763 deals with the comparison of costs of insurance in the non-admitted markets and costs for similar coverage in the admitted market. Such provision does not become operative upon the basis of a comparison between the total cost of legitimate partial self-insurance supplemented by excess coverage and the cost of placing the entire risk in any market whether admitted or otherwise."

Pacific Board Refuted

Mr. Benjamin's decision came after two hearings at which Leland B. Groezinger represented Fred S. James and Carnation Co.; John R. Maloney, chief assistant commissioner, represented the California department, and Bert W. Levit testified for Pacific Board. Pacific Board contended that a thorough attempt had not been made to place the line with admitted insurers and that the deductible clause in the proposed coverage was a subterfuge to obtain a rate concession.

Mr. Benjamin in his decision reasons that if the Pacific Fire Rating Bureau's advisory rule for excess fire insurance applies to the case, it constitutes the promulgation of a rate for deductible coverage equal to the rate for another, different and much broader coverage. "It is considered either to be a rate not applicable to deductible coverage or one in which insurance is not seriously expected to be written. There is the necessary differentiation between primary and excess coverage and a situation where the insured retains a basic portion of the risk and supplements it by excess coverage placed in an insurer," Mr. Benjamin holds. The decision maintains that the advisory rule does not constitute a rate available in the admitted market unless and until such a rate is adopted and quoted for

May Fire Losses Show 8.5% Increase

Fire losses in the United States during May totalled an estimated \$58,765,000, an increase of 8.5% over the same month a year ago, according to the National Board. The May loss was 4.6% less than that of April.

This was the fourth month this year in which losses were higher than those for the same month of 1949. The May total represented the second highest fire loss ever recorded for that month, exceeded only by losses of \$59,256,000, in May, 1948.

Fire losses for the year to date total \$310,001,000, an increase of 4.3% over the \$296,720,000 total for the first five months of 1949. For the 12-month period ending May 31, the estimated total is \$680,517,000, up \$4,157,000 over the total for the period ending May 31, 1949.

By months for 1950 and the two preceding years, losses are:

| | 1950 | 1949 | 1948 |
|-----------|---------------|---------------|---------------|
| Jan. ... | \$58,823,000 | \$57,926,000 | \$63,010,000 |
| Feb. ... | \$58,340,000 | \$62,124,000 | \$71,521,000 |
| March ... | \$72,468,000 | \$67,215,000 | \$74,236,000 |
| April ... | \$61,605,000 | \$55,290,000 | \$63,751,000 |
| May ... | \$58,765,000 | \$54,162,000 | \$59,256,000 |
| Total | \$310,001,000 | \$296,720,000 | \$331,774,000 |

such coverage by admitted carriers.

Mr. Benjamin further comments: "The purpose of the surplus line act is to give the admitted market a preference over export of insurance for purposes of rate advantage. It is not the intent of the act to extend that preference to a point where admitted carriers may refuse to write a form of coverage which, as here, may legitimately be sought by the insurance public, and by setting up fictitious or discriminatory rate for such coverage, defeat any placing thereof in the non-admitted market upon the plea that such placement is for rate advantage purposes. Where an actual and lawful rate exists in the admitted market, the act prohibits export at a lower rate despite insubstantial or trifling difference in contract form or coverage. A trifling amount of retention by the insured would not justify export."

Reasonable Cover Sought

Mr. Benjamin continues: "Carnation Co. for many years has adopted a policy of partial self-insurance, one of the principal purposes of which is the reduction of its insurance costs. The risk retained by Carnation Co. in the subject insurance is not trifling, but on the contrary, is a substantial portion of the over-all risk. The type of coverage sought is a reasonable one from the standpoint of an insured and cannot be considered as a mere device for avoiding the admitted insurance market."

Fred S. James had placed the line in Lloyds of London through Swett & Crawford, surplus line brokers. The insurance was effected on March 1, 1950, for a three-year term, covering multiple location and interstate risk on stock, buildings and equipment of Carnation Co. and affiliates. One memorandum provided insurance for \$500,000 in excess of \$50,000 on each and every loss, with provisional premium of \$221,000. Fire and extended coverage was provided including sprinkler leakage limited to 25% of value at any sprinklered location and consequential loss of stock was included. Total value of all property was about \$60,000,000 involving 500 locations across the country with 11% of the value in California.

The second memorandum covered the same assured for the same period for \$500,000 in excess of \$550,000 on each

(CONTINUED ON PAGE 12)

Dewey Move Studied from Insurance Angle

NEW YORK — The announcement by Gov. Dewey that he would not be a candidate for reelection in November has lent greater credence to reports that Superintendent Dineen of New York will soon resign. Presumably this resignation will come before the election. Mr. Dineen went to White Sulphur Springs this week to be with Mr. Dewey at the Governors' Conference, following a few days at Quebec for the N.A.I.C. meeting. He has refrained from commenting on the many rumors that continue to crop up about his future intentions. Mr. Dewey's term expires Dec. 31.

Might Be Interim Appointment

The probable Republican candidate will be the present lieutenant governor, Joe R. Hanley. He is generally thought of as having the same political concepts as Mr. Dewey. Should Mr. Dineen leave before the end of the year there might be an interim appointment of a successor by Mr. Dewey. This appointee might be reappointed by Mr. Hanley if he is elected, or the latter may name his own man.

Mr. Dewey's decision not to run is conceded to have weakened the Republican chances in the state. Political observers agree that a Dewey candidacy would have a better chance to succeed than Hanley's.

Among the prominent Democratic gubernatorial possibilities are Oscar R. Ewing, federal security administrator; W. Averell Harriman, presidential adviser on cold war problems, and Rep. Franklin D. Roosevelt, Jr. The state hasn't had a Democratic governor since 1942. Who would be named superintendent of insurance if the Democrat wins hasn't yet made the grade as a scuttlebutt topic.

Mention of Mary Donlon

There was some speculation that Mary Donlon, workmen's compensation board chairman, might be nominated for lieutenant governor to run with Mr. Hanley. Her prominence in insurance circles, which formerly was centered among casualty people, has become widespread among group life and A. & H. people since the board undertook the administration of the state's disability benefits law.

At Quebec there were strong rumors that Mr. Dineen would go with a major life insurance company in the middle-west in high executive capacity.

Among those mentioned as possibilities to succeed Mr. Dineen as superintendent are A. J. Bohlinger, deputy superintendent, and John C. Stott of Norwich, N. Y., a local agent and former president of National Assn. of Insurance Agents.

Big Pottery Plant Loss

Insurance loss may reach \$500,000 as a result of a fire at the A. E. Hull Pottery Co., Crooksville, O., June 17. The fire was caused when a flash flood brought about an explosion in a hot kiln, and a large portion of the plant was destroyed. It is understood the firm also has business interruption insurance. Total coverage was \$604,000.

Insurance was with stock companies and the Lansing B. Warner reciprocals. A special adjustment problem has arisen in determining the damage caused by flood waters prior to the fire. This is a similar situation to that which occurred in Cincinnati in 1937 during the flood, when some fires broke out.

Seek Rallying Point in Expense Only Modification

Soundings Made on Plan to Eliminate Experience Rating Factor

National Assn. of Insurance Commissioners at the Quebec meeting devoted considerable attention to the multiple location risk rating problem without making any progress on the surface. However, there was a strong subsurface report that support is being mustered in impressive proportions for a plan that would relate the premium fluctuation only to size of risk and concomitant expense savings, with a maximum credit of 30%. If the industry should agree on such a program it is likely the commissioners would seize upon it as a means of exiting from a prolonged and bitter battle. Presumably that would dispose of the formal proceedings in New York over the Escott plan as that would make that a moot question.

Use of an expense-only factor would remove perhaps the most solid core of opposition to the Escott plan based on the injection of individual risk loss experience rating in fire insurance. There are leaders in company ranks who are prepared to lose every multiple location risk on their books rather than give recognition to the principle of experience rating which they fear would be far reaching in its contamination of the rating structure of the business.

Survey Midwest Situation

One evening at Quebec a meeting was held of the commissioners of the 18 middlewestern states in which the Escott plan had recently been filed to explore the possibility of holding some sort of a joint hearing. This had to be abandoned, however, when George Carey of America Fore said such a hearing might prejudice his companies' right to review in the individual states. He said they could not run that risk.

C. P. Butler, who upon subsequent questioning by Mr. Carey, said he was speaking for Home, commended the idea of a joint hearing. Every effort should be made to bring the matter to a speedy conclusion. Otherwise there will be submitted all sorts of substitute plans, he said. If there should be introduced such a variety of schemes the states would not have the manpower to supervise them. He insisted that those who want to use the Escott plan should have the right to use it.

A question was raised as to why the plan had been filed in Illinois and then withdrawn. Russell D. Hobbs, general manager of Western Actuarial Bureau, was questioned. He said he had not been in on the conference but he understood it was by agreement with the Illinois department that desired to have supporting data. When this data is gotten the plan will be refiled.

Denies Delaying Tactics

Mr. Carey said his organization has not been trying to delay the hearings. For instance he said Nevada has scheduled a hearing for May 26. He was in Colorado at the time, prepared to go to Nevada, but Pacific Fire Rating Bureau

(CONTINUED ON PAGE 12)

John North Urges Caution in Era of Novel Filings

Recent Developments Reviewed at E.U.A. Meeting at Bretton Woods

At midpoint of 1950, John A. North, vice-president of Phoenix-Connecticut took occasion in his presidential address at the midyear meeting of Eastern Underwriters Assn. at Bretton Woods, N. H., to assess many problems that



John A. North



F. W. Doremus

face the business today with special emphasis on the role of E.U.A. in solving them.

There was a good turnout for the meeting. In addition to multiple line operations, fire deductibles and comprehensive dwelling coverages, public relations were discussed at an evening session and the latest public relations sound films were shown.

Harry W. Miller, Commercial Union, vice-president of E.U.A., presented the executive committee report and the reports of the consolidation and conference committees; J. R. Robinson, Phoenix-London, public relations, Barry Truscott, Camden Fire, membership; F. Elmer Sammons, Hanover, loss adjustment practices; and Frank J. Roberts substituting for F. W. Stein, Glens Falls, delinquent agency balances. Manager F. W. Doremus and his staff guided the details.

Advices Full use of E.U.A.

Mr. North warned of independent filings by companies in multiple line packages, fire deductibles, etc. He sees "no excuse to run to an insurance department for approval of some idea or novel suggestion when this association can tap files of experience and a qualified research staff—not to mention men of real talent on our committees, who could perform the needed study of new forms, coverages or rating plans." Constructive ideas should be encouraged, progressive changes sought. The E.U.A. is not a burying ground for anything with merit, but he advised companies to proceed with caution.

Even rating organizations are not as fully equipped to perform the tests and studies which should be performed on new plans before they can be conscientiously filed or promulgated as is E.U.A. A rush to the rating organizations can only lead to confusion. It takes more courage to say "stop and look" or "no" than it does to say "yes." There are too many who claim that unfair competition forces them to yield without a thought to where the road leads. The business now is at that point on installment premium plans and novel, untried filing requests and deviations.

Courage, common sense and mature judgment are demanded more than ever. Adolescence is always with us, each generation apparently must learn for itself the hard way. Thus Mr. North described those "who have an insatiable

(CONTINUED ON PAGE 10)

N. E. Agents Hold Summer Rally at Poland Spring

Sales possibilities and multiple line underwriting were discussed at the summer meeting of New England Assns. of Insurance Agents at Poland Springs, Me., last week.

Archie Slawsky, Nashua, N. H., chairman of New England Advisory Board, was chairman of the sessions. The meeting got under way with the showing of a motion picture by Warren L. Wright, state agent in New Hampshire for Aetna Fire.

A. Hawthorne Criddle, Philadelphia, in his talk contended that multiple line underwriting will not affect agents to any great extent, since they have always been multiple line underwriters. It is a question of the companies becoming adjusted to the new system. Mr. Criddle said he thinks more agents will become specialists in servicing different businesses and that they should concentrate on selling an entire account rather than selling particular policies or package policies.

Advices Agent Market Research

Scientific planning can be applied to insurance sales just as it has been applied to the marketing problems of other types of business, Frank Lang, manager of the research department of Assn. of Casualty & Surety Companies, declared in his address at the summer meeting of New England advisory board of New England Assns. of Insurance Agents.

Mr. Lang, stressing the importance of agents' finding out as much as possible about the market for insurance in their communities, said that one of the basic principles of a sound sales program for every agency is to know the market. This principle applies regardless of the size of the agency.

Much of the market information can be obtained from the records of the agent's present customers, such as how much future business can reasonably be expected from this source. In addition, he added, agents need to know as much as possible about their potential markets in order to plan sales programs effectively.

An agent living in a small community will have to depend largely on his own knowledge of his town or neighborhood to tell him about his potential market, Mr. Lang said. Agents in cities can supplement their own knowledge with information from outside sources, such as local business directories and local and state government reports.

Can Determine Sales Goal

Careful analysis of the market data which has been gathered is necessary in order to determine the over-all sales goal for the agency.

Mr. Lang also discussed the application of scientific planning to the development of the agent's approach to the individual customer and stressed particularly the importance of agency service in building sales.

With respect to the application of scientific planning to agency management, Mr. Lang urged the agents to plan their office records and systems carefully. Many producers, he said, fail to derive the maximum sales assistance from the numerous records which they are required to keep.

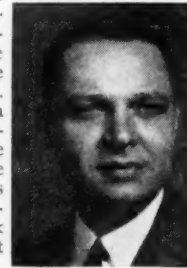
Hear From John Carney

John H. Carney, Eau Claire, Wis., a member of the executive committee of the National association gave a report on the activities of N.A.I.A. and the executive committee. He cited the committee members from New England as representing the high caliber of men on the committee who make a great sacrifice of their own time to attend meetings, frequently traveling long distances. Mr. Carney complimented New England Advisory Board for its unique character

C. P. Woods Named Sales Director of National Underwriter

The National Underwriter Company has appointed Charles P. Woods as sales director in charge of all sales activities of the company. He will be located at the home office in Cincinnati.

Mr. Woods is a graduate of Massachusetts Institute of Technology. He started in business with Dun & Bradstreet in New York and was with that firm for 15 years. His experience includes sales, supervision and management, public speaking and inauguration and development of new services. During the past year he has been in business for himself as a market analyst and sales research consultant.



C. P. Woods

N. Y. Underwriters Calls Avery to Home Office Post

New York Underwriters has elected C. H. Avery assistant secretary. Mr. Avery has been state agent in Alabama. He started with Alabama Inspection & Rating Bureau and became assistant manager. He then became special agent for Holland & Gates, general agents at Jackson, Miss.

Everett P. Johnson has been named state agent in Alabama to succeed Mr. Avery. Mr. Johnson has been special agent in Alabama for Security of New Haven.

C. E. Johnson has been named state agent for North Carolina to succeed Van Wyk Webb who has resigned to join the insurance department of Wachovia Bank & Trust Co. Until Mr. Johnson arrives in Raleigh, Frank J. Beza, special agent, will be in charge. Mr. Johnson has been state agent in Oklahoma for New York Underwriters and previously was in the Texas field for that company.

James F. Robertson, Jr., has been designated special agent in Georgia. He has just completed the training course in the home office.

Big Florida Loss

Preliminary estimates of the insurance loss to the Sprawling Polk Packing Assn. at Winterhaven, Fla., is 70% on stock and 90% on building and machinery. At least \$2 million of insurance is involved. The establishment consisted of canning, packing and warehousing of citrus fruit, and stock consisted largely of canned goods.

and the fine relations between it and the companies. He said that New England stands as a model for the rest of the country as far as company-agent relations are concerned.

The ladies attending heard a talk by Mrs. Helen F. McLaughlin of the University of New Hampshire, who discussed antique glass.

There was a golf tournament the first afternoon. Low gross prize went to Richard Sykes of St. Paul F. & M., while the low net winner was Earl Adams, Fairfield & Ellis, Boston.

On Saturday a panel was presented by Bay State Field Club on the agent and his field men. Talks were given by T. Walter Keany, American; Homer W. Jones, Aetna Fire, and Davis L. Vigue, Phoenix of London. There was a demonstration of use in occupancy reporting forms.

A talk on "A Practical Approach to Agency Advertising," was given by E. Rhea Hurd, Jr., advertising manager of American Automobile.

Va. Agents Name H. Linwood Ford as New President

Settlement of Multiple Location Tangle Urged; Strong Program Presented

Virginia Assn. of Insurance Agents at its annual meeting at Hot Springs elected H. Linwood Ford, Richmond, president; Walter G. Stephenson, Roanoke, vice-president and chairman of board; E. V. Lankford, Emporia, secretary; Roger Clarke, Fredericksburg, state national director. New directors are C. W. Hubbard, Jr., Kilmarnock; T. W. Henderson, Norfolk; W. H. Branch, Richmond; C. W. Crowder, South Hill; R. C. Overbey, South Boston; E. D. Pierce, Christiansburg; W. N. Lineweaver, Harrisonburg; R. S. Wilcox, Arlington; H. M. Elliott, Abingdon; F. E. Kinzer, Covington.

The registration of 436 was the second largest in history. Among the honored guests were two past presidents of the National association, E. M. Allen, now a local agent in Virginia, and Frank R. Bell of Charleston, W. Va. Officers and directors were installed by O. Shaw Johnson, N.A.I.A. president, at the banquet Saturday night.

A directors' meeting Thursday night approved the proposed constitution and by-laws of the Southern Territorial Conference. Ten past presidents attended a dinner for them Thursday night. Business sessions were Thursday night (an innovation), Friday and Saturday mornings.

Notable Speakers List

Speakers included O. Shaw Johnson, on "Cooperation;" Francis W. Potter, Aetna Casualty, "Sales Fundamentals;" Ellis H. Carson, National Surety, "Multiple Line Evolution;" State Senator Harry F. Byrd, Jr., "Trends in Government;" Irvin S. Markel, American Fidelity & Casualty, "Capacity for Long Haul Trucking Risks;" Edmund T. De Jarnette, past president and member state legislature, "Countersignature Law and Legislative Trends."

In the golf tournament Friday afternoon the team representing company men defeated the agents' team, thus gaining a second leg on the Harry F. Thompson cup.

The cup donated by B. P. Carter, Richmond general agent, was won by the Richmond local board in spirited competition. This is the third cup donated by Mr. Carter. Two previous cups won by the Norfolk and Richmond local boards. The presentation of cup by Ellis H. Carson was one of the features of the banquet. A service certificate was presented to Warren F. Curtis, Richmond, immediate past president, by J. V. Arthur, national executive committee member.

Special Resolutions Adopted

Special resolutions were adopted on the deaths of D. C. Hancock and Stuart Ragland, past presidents. An additional resolution adopted deplored continued confusion and disagreement concerning multiple location monthly reporting forms of property insurance and urged all insurers and regulatory bodies to submerge individual preferences and prejudices to the pressing need to develop a workable plan for this class of buyers.

The present association membership is the largest in history.

The multiple line underwriting idea is not revolutionary, but is something

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Southwestern Department: 912 Commerce St., Dallas 2, Tex.
Foreign Departments: 102 Maiden Lane, New York 5, New York
206 Sansome St., San Francisco 4, Calif.
Canadian Departments: 465 Bay Street, Toronto 2, Ontario
535 Homer Street, Vancouver, B. C.

FIRE • MARINE • CASUALTY • SURETY
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INSURANCE

Pros and Cons of Deductible Cover

One subject discussed at the annual meeting of Eastern Underwriters Assn. at Bretton Woods, N. H., was deductible fire.

Among the points that have been made about deductible fire are that it has been used for years of arranging excess insurance for insurers covering catastrophe losses. It has been used to reinsure so called self-insurance funds, in issuance of policies covering railroad insurance properties, to reinsure specialty companies organized by a large corporation for the sole purpose of insuring the corporation's property.

It also has been used on special contracts covering risks where values are reasonably constant but distribution of such values is spread over a large area and averaged over many risks of like hazard.

It has been used in credit insurance to establish net compensable loss as the gross loss less invoice adjustments and allowances and less coinsurance and normal credit loss. Extended coverage No. 3 has a deductible of \$250 applying to all perils under the endorsement.

Risks of Large Size

There is a demand for deductible among risks of a size that permits assumption of a "first loss" by insured. Some risks have an inherent hazard; small losses are maintenance losses—steel mills, public utility electrical risks, foundries. Deductible has been offered by non-admitted foreign insurers and by mutuals covering large factory risks.

Among the arguments for it are that deductible saves the cost of handling and paying small claims for insurer and provides rate credit based on that saving. Insured saves part of the percentage of the full rate that normally goes for agents' commission, taxes, company overhead, board expenses, etc.

It adds income for agents and brokers by reclaiming risks that now go to non-admitted and direct writing mutual companies. It requires careful underwriting of each risk because serious single loss possibility must be evaluated. Full insurance to value is essential to cover large single loss possibility.

Attracts Well Managed Risks

High limit deductible will attract only large, well managed risks. It will deter development of self-insurance funds by offering a market for full insurance less losses normally classed as maintenance items. It lends itself to operations such as railroads, grain, manufacturing, cotton, multiple location risks.

Arguments against deductible are several. It encourages creation of a self-insurance fund and destroys 100% indemnity. It doesn't equitably spread the risk because buyers of deductible don't pay their share of the over all premium required for payment of smaller claims.

It will tend to increase relative cost of inspecting and servicing large sprinklered and other risks with special processes now requiring periodic inspection to maintain and expand fire safety requirements.

Use of deductibles limited to large value risks or those with many locations may be discriminatory and require consideration of lower deductibles for smaller risks and those of one location.

Destroys Statistical Credibility

It destroys the statistical credibility of rate levels because of reduction for varying deductibles. Fixed company expense is not reduced in relation to percentage reduction for use of deductibles.

Elimination of investigating and paying claims of less than the deductible may destroy fire safety activity that normally saves recurrence of loss from preventable cause. Most industrial fire safety developments have come from careful study of fire causes in small losses which has prevented larger



GROUP OF LEADING CANADIANS AT N.A.I.C. CONVENTION AT QUEBEC. PICTURE BY H. H. FULLER, DEPUTY U. S. MANAGER OF ZURICH.

Front row, left to right, Alfred Campbell, R. B. Whitehead, Ontario commissioner; J. W. Mackinnon, Prince Edward Island commissioner. Rear—E. R. Hughes, Alberta commissioner; E. B. MacLachy, New Brunswick commissioner; D. H. Sutherland, Nova Scotia commissioner; R. Leighton Foster, manager Canadian Life Officers Assn.



FOURSOME AT INSURANCE COMMISSIONERS MEETING AT QUEBEC.

John C. Stott, Norwich, N. Y., immediate past president National Assn. of Insurance Agents; O. Shaw Johnson of Clarksdale, Miss., president of N.A.I.A.; Walter Sheldon, Chicago, former N.A.I.A. executive committee member; Roy L. Davis, western manager of Assn. of Casualty & Surety Companies.

America Fore Appeals N. C. Escott Plan Filing

RALEIGH, N. C. — The America Fore group has appealed from the North Carolina Fire Insurance Rating Bureau's filing of the Escott plan and a hearing on the appeal has been set for July 11. George R. Carey, general counsel for America Fore, filed the appeal.

The rating bureau's filing of the Escott multiple location plan first was heard by Commissioner Cheek Jan. 4. At the time America Fore indicated it would appeal, so in order to prevent the plan from going into effect automatically under a 60-day clause in department regulations, Mr. Cheek disapproved the plan, with the understanding filing would be reopened once the appeal was perfected.

Complete Denver Cover Plan

Denver Assn. of Insurance Agents has completed and had accepted its plan for Denver city insurance. The program has been in the mill for three years.

Policies in the new program will be placed among member agencies of the Denver association. The city will be

claims through creation of new fire safety standards. It presents problems of loss apportionment unless the risk is covered only by deductible policies. It will reduce agency commission by rate percentage allowed for use of deductible, without commensurate reductions of agency work.

self-insurer for all buildings valued at less than \$100,000 and is also self-insurer for liability and P.D. on city-owned trucks, automobiles, and other vehicles.

The agents' committee was headed by Charles W. Schoelzel, and in charge of keeping the program on a continuing basis are Ted Wenderlin and James M. Kellett.

Liaison Luncheon Hears F.U.A.P. Education Plans

SAN FRANCISCO.—About 50 people, representing 14 insurance organizations interested in educational courses, attended the liaison luncheon meeting of Fire Underwriters Assn. of the Pacific. John E. Clark, American, chairman of the educational committee, presided.

John H. Martin, Standard Forms Bureau, told of the beginning and the development of the F.U.A.P.'s educational activities, as well as future plans. Frank Colridge, general manager of Pacific Board, discussed the relation between education and public relations. R. B. Masters, Security, president of F.U.A.P., spoke on the trends toward multiple line writings and plans to establish courses geared to this type of insurance service, and Clyde M. Marshall, Aetna Fire, past president, told of the efforts to interest universities and colleges in adding classes on insurance.

JAMES A. OTTO, 85, retired member of the Otto-Newkirk agency at Independence, Kan., died at Honolulu, where he had resided since retirement in 1945.

Jefferson Elects Operating Officers

NEW YORK — Jefferson Insurance Co., which has been licensed by the New York department, has announced its official family. It is operating from 79 John street here with paid in capital of \$500,000 and paid in surplus of \$500,000, plus an additional contribution by stockholders to cover organization expense.

James Mather has been elected president. He has spent his entire business career in the marine insurance field and was U. S. marine manager of Phoenix-London group and Norwich Union Fire from 1941 to 1948. He served several terms as director of the Board of (Marine) Underwriters of New York and the American Institute of Marine Underwriters. Philip H. Colgan is vice-president. He has been in the marine insurance business for about 20 years, 17 with Appleton & Cox in the underwriting department and four years with the American International Marine Agency as assistant to the president.

Wollner Is Chairman

Max Wollner is chairman. He has been an insurance executive for many years, in Europe and in the United States. He is president of Canadian Home Assurance of Montreal.

In addition to Mr. Mather, there are two other fire or casualty insurance men on the list of incorporators, David K. Tuttle, who operates the agency under his own name in Brooklyn and who formerly was with North America companies, and Carl Typermass, formerly deputy with the New York insurance department, and now with Lumber Mutual Casualty in New York.

The other incorporators are Dr. Gaspar Fauteux, member of the Canadian House of Commons, Montreal; Henry Stern of the Morganthau Co., New York; J. Gordon Hutchison, accountant, Montreal; John G. Porteous, attorney, Montreal; Paul Jordi, vice-president Swiss American Corp., New York; Peter E. Tumblety, 1st vice-president, Empire State Mutual Life; Armand Erpf, Carl M. Loeb Rhoades Co., New York; George M. Bragalin, assistant vice-president, Manufacturers Trust, New York, and Paolino Gerli, industrialist, New York.

The company will confine its operations at the outset, it is understood to ocean marine, hull and cargo. It may expand in the future to inland marine and fire reinsurance business.

Form Neb. Speakers Bureau

Nebraska Assn. of Insurance Agents has formed a speakers' bureau to give the story of insurance to the public.

Individual agents and company personnel will appear before other trade associations and business groups. They will take up the specific insurance needs of the industry in question, and urge that the insurance program of the business man be placed in the hands of a competent local agent in his home town. It is a modification of the series of buyers' conferences which were conducted throughout the state in 1949.

New Fireman's Fund Magazine

"The Visiting Fireman," a new national publication for the 3,500 staff members, has been released by Fireman's Fund group.

The first issue briefly introduced each departmental office, recorded the development of the company's security and benefit program, featured President James F. Crafts, chronicled employee activities and launched a free enterprise contest for staff members, offering a \$50 cash award for the best ad copy produced for the company's current advertising campaign.

The publication was first put to the test in the Pacific department territory, and now includes 88 service and department offices.

Excelsior Holds Silver Jubilee

More than 300 agents from 10 states met at Syracuse last week to celebrate the 25th anniversary of Excelsior. This is the company that was founded by local agents.

One of the highlights of the two-day meeting was a regular meeting of the board attended by all the agents. The directors declared a dividend of 20 cents payable June 28 to stock of record June 14.

In his report, President Forrest H. Witmeyer said that new highs had been reached by the company in the first four months of 1950. Assets were \$1,966,685, up 10%; surplus \$551,425, an increase of 24%, and premiums of \$488,185, a 20% increase.

Talks were given at the business meeting by Robert D. Constable, insurance manager of Niagara-Mohawk Power Corp.; Henry A. Franz, A. C. Sinn Agency, Clifton, N. J.; and Claude D. Minor, president of Virginia F. & M. This was a symposium session, and the moderator was Carl McM. Crawford, Chester, Pa.

At the banquet a talk was given by W. Ross McCain, president of Aetna Fire and of the National Board. Dana J. Lowd, Northampton, Mass., represented National Assn. of Insurance Agents in his address, and the response was given by C. H. Watkins, retired chairman of Excelsior.

Mr. Witmeyer presented plaques to agents who have represented the company for 25 years.

W.U.A. Scholarship Awards to Be Announced Soon

The screening committee for the scholarship program sponsored by member companies of Western Underwriters Assn. met June 19 at Chicago. Announcement of scholarship awards will be forthcoming in the near future.

Kroll Resigns Midwestern Indem. Post, Enters Agency

Mark H. Kroll has resigned as secretary-treasurer and director of Midwestern Indemnity of Cincinnati. At a meeting of the directors, J. Allison Dryden was elected to succeed Mr. Kroll. Mr. Dryden has been a vice-president and director.

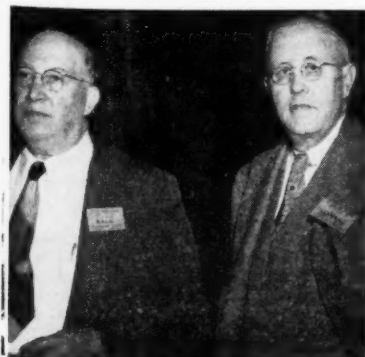
President of Midwestern Indemnity is W. W. Schneebeck. Mr. Schneebeck recently resigned as president of Wilmark agency, Cincinnati and was succeeded there by Mr. Kroll, who now has the controlling interest.

Neb. OK's Deductible

Nebraska has approved Chubb & Son's fire deductible filing.

New Christiania Officer

Christiania General has appointed Allen J. Hinkelman assistant secretary.



Floyd N. Dull and L. F. Koppang of Preferred Accident at insurance commissioners meeting at Quebec.

He has been with Royal-Liverpool as head of the foreign brokerage department. Prior to army service he was associated with Fairfield & Ellis of Boston, and Sterling Offices, New York City.

Texas board of commissioners will hold on July 12 its annual public hearing on revision of fire, windstorm, extended coverage, inland marine, hail and farm crops rates and rules.

Two American Auto Filings OK'd in O.

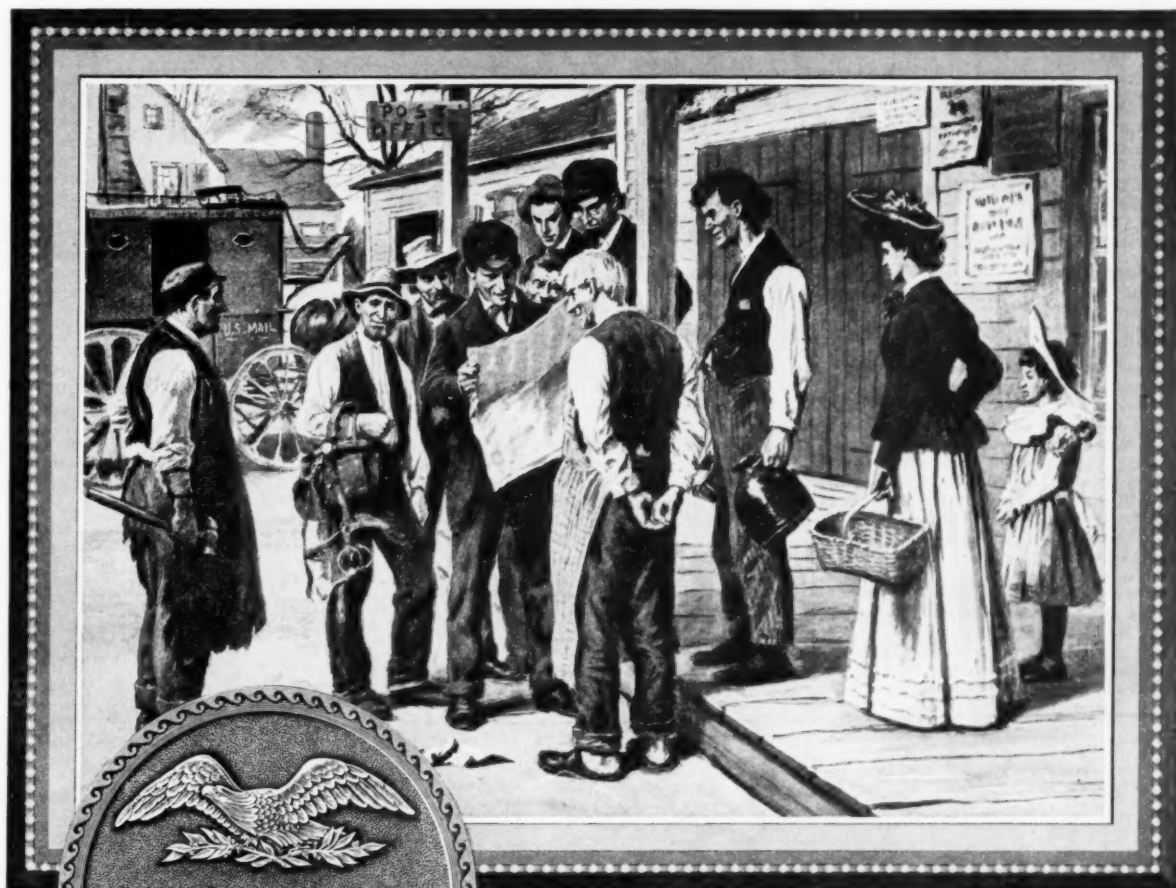
COLUMBUS — The Ohio department has approved the automobile collision filings of American Automobile. It follows the age grouping of the new plan of National Automobile Underwriters Assn., with approximately a 10% differential on automobiles not

regularly driven by anyone younger than 25.

Approval was also given American Automobile's new retrospective plan, which is a simplified version of Plan D used by National Bureau companies. American Automobile calls this Plan X.

Arthur Goodall has been elected bullfrog of the Decatur puddle of Illinois Blue Goose; W. J. Rothfuss is tadpole and J. Earl Kryder is croaker.

An Advertisement similar to this appears in SATURDAY EVENING POST, June 17 and in NEWSWEEK, June 19



"Arrival of the Mail"—a 19th century scene typifying one of the Nation's important services. Drawing by A. B. Frost.



Great American Services

Along with the postal service, insurance has earned an indispensable place in the American pattern of life. Insurance provides security—protection against the day-by-day personal and commercial losses that threaten the well-being of everyone.

Call one of Great American's 16,000 local

agents, or your broker, and learn how easily—and for so little cost—your own interests can be protected against virtually any contingency.

The Great American Group of Insurance Companies offers world-wide facilities for practically every form of insurance except life.

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WORLD-WIDE FACILITIES FOR PRACTICALLY

ALL FORMS OF INSURANCE EXCEPT LIFE

Insurers With Old Records Problem Aided by Publication

A recent publication of the policyholders' service bureau of Metropolitan Life, "Disposition of Inactive Records," has been found useful, according to accountants and statisticians in that field, by the fire and casualty business. Like other publications of this department of Metropolitan Life, treatment of the subject is general to be of use to many kinds of business, and is not aimed specifically at insurance.

However, it covers in some detail the fundamental problem of inactive records and their disposal. It outlines representative policies and practices for handling and controlling inactive records, based on practices of representative companies in the U. S. and Canada which have developed special activities in this field.

Waste of Old Records

Considerable unnecessary expense and inconvenience may be incurred if old records are not available when needed. For example, the booklet points out, one company was required to pay a state sales tax on total sales over a two year period because the original sales slips had not been retained for the full period required, slips that would have established the volume of non-taxable sales. On the other hand, most concerns have incurred substantial expense in retaining unnecessary material because of space used, purchase of files and other equipment, clerical handling, and transportation for storage.

To minimize these costs without destroying valuable files, some concerns have made a systematic analysis of all file material and have formulated policies for control of inactive files and destruction of unnecessary data.

Practices differ from company to com-

pany and business to business. Small companies lack the staffs to maintain elaborate procedures. Statutes of limitations as applied to contracts, debts, notes and other obligations fix a maximum period for court action and consequently are an important consideration in determining the length of time records should be kept. These statutes differ from state to state and are always subject to revision. The booklet contains a tabulation that lists limitations for civil actions by states. Regulations of federal and state governmental agencies also must be considered.

Financial Institutions

Financial institutions supervised by some governmental body or subject to periodic audits have special requirements to fulfill regarding the retention of certain documents.

Factors governing the decision as to possible future value of a given record or document depends on nature of the document and its significance in connection with future company activity; availability and other files of identical copies of the same record; extent to which data involved summarizes or is summarized by other available records, and degree to which the material in question provides essential details of some basic record.

Much material placed in correspondence files, a large part of which often deals with routine matters similar to those commonly settled by verbal conference, takes up a lot of space and could hardly be of conceivable future value for reference purposes. Some records are of value for a brief period while a specific decision is being reached by management and have no significance thereafter. Other records may be subject to a longer period of review but finally become obsolete and have no permanent value.

The booklet suggests a provision in the organization for a planned disposal of inactive records. Otherwise the company runs the danger of a single housecleaning without follow up, thoughtless

destruction of valuable inactive material, or retention of files and records that have no real place in the permanent archives. The pamphlet goes into detailed suggestions for formulating a sound policy of disposing of or retaining records. It also touches on use of microphotography for reducing the space requirements and even gets into the best method of destroying various kinds of records.

Wegeng Heads Ill. Farm Agents Assn.

More than 100 agents and company men attended the annual meeting of Illinois Farm Insurance Agents Assn. at Peoria. A. J. Wegeng of Villa Grove is the new president; Bert Chapman, Cerro Gordo, is vice-president, and Virgil Roberts, Arcola, secretary.

Principal business conducted was the adoption of a resolution that agents of farm writing companies be allowed to adjust losses of \$100 or under on farm property insured through their agency without the signature of the insured on the proof of loss. This question will be taken up with Farm Underwriters Assn.

Frank Bottorff, Avon, the retiring president, presided at all sessions. The agents appointed a committee to meet with Farm Underwriters Assn. to discuss changes and ideas. Meetings will be conducted throughout the year.

Principal speaker was Dennis C. Smith, farm department manager of Home, who discussed chiefly farm bureau competition.

E. C. Rate Reduction of 15% Proposed in N. C.

RALEIGH, N. C.—An average reduction of 15% in rates for extended coverage has been proposed by the North Carolina Fire Insurance Rating Bureau.

Commissioner Cheek, who estimated this would result in a saving of \$466,042 annually for North Carolina policyholders, set a public hearing on the filing for July 20.

The bureau also proposed changes in the form of the extended coverage endorsement, including a revision of the apportionment clause to include a "joint loss" provision; inclusion of an entirely new war risk exclusion clause, and revision of provisions applicable only to loss by aircraft and vehicles to include damage to contents as well as to buildings.

Accounting Changes O.K.d

At the uniform accounting hearing at the New York department the adjustments in regulations that had been suggested by the National Assn. of Insurance Commissioners subcommittee were approved. George Kline, New York deputy, presided. T. F. Tarbell, Travelers, spoke for the industry. The changes were to correct minor problems that arose during the first year of the uniform accounting proposals operation.

Nominee Loses Out

WASHINGTON — The ranks of the federal trade commission will continue unfilled, for a time, it is believed, as a result of the Senate commerce committee reporting by majority vote of 5 to 3, that the nomination of Martin A. Hutchinson of Virginia should not be confirmed. The Virginia Senators declared he was unqualified. Hutchinson would have filled the last vacancy remaining after appointments of James Mead and John Carson to the commission.

New Dominion Fire Commissioner

Christian A. Thomson, an inspector with the Canadian Underwriters Assn. at Montreal, has been named Dominion fire commissioner. He succeeds the late W. L. Clairmont.

Lumbermens Holds Agency Council at Mansfield

In his report at the agents advisory council of Lumbermens Mutual of Mans-



C. E. Nail

field at the home office last week President C. E. Nail reviewed the growth of agency mutual insurance during the past decade and predicted a reasonably favorable loss ratio for the next few years. He said loss ratios follow a cycle and 1948 was the worst point of the current cycle. Insurance companies, he said, are almost always operating under a double squeeze—the problem when the loss ratio is rising is obvious, and when it turns favorable there is almost immediate pressure for rate reductions, plus competitive pressure to raise commissions to get business. Practically every agency mutual, Mr. Nail said, is paying higher commissions and lower dividends than it did 10 years ago. The rise in operating costs is a problem for both agents and companies and both have probably seen the low point in expense ratios for some time to come. The day of automatic increases at renewal time is just about over and the wise policy for mutual companies and agents, he said, is to cease emphasizing competition with each other and to go after the 80% of the business which they do not write now.

Mr. Nail said that 10 years ago no agency fire mutual had assets of \$10 million, while by the end of 1950 there should be eight carriers in that class. Most of these companies will have tripled their assets during the past 10 years. He praised the contribution of the 1732 Clubs of mutual field men and National Assn. of Mutual Insurance Agents to this record and reminded his audience of the 200th anniversary of mutual insurance which will be celebrated in Philadelphia in 1952.

Lively Discussion

Following Mr. Nail's talk, almost every agent present participated in a frank and thorough discussion of the problems of agency-company relationship. Following this D. G. Roth, secretary, led a discussion of premium budget and finance plans, with many agents offering comments on plans which are popular in their territories. J. L. Eberly, claim manager, discussed public relations and loss adjustments.

Two panels featured the Friday morning session. Vice-president S. F. Coffin was moderator of the underwriting panel, which included F. A. Greenwood, assistant secretary; W. G. Schultz, assistant vice-president; E. V. Bradley, inland marine manager, and D. A. Nichols, automobile manager. D. P. Smith, treasurer, and A. H. Benson, auditor, conducted a discussion on accounting. L. H. Jones, advertising counsel, was the final speaker.

There were two luncheons at the Westbrook Country Club and a dinner and entertainment Thursday evening. Russell Davis, vice-president and agency supervisor, was in charge of the meeting.

Suit Alleges Negligence

COLUMBUS O.—Ten insurers have filed suit in federal court here against John and Herb Cox of Athens to recover \$24,230. The defendants operate a home appliance store in Athens. On May 21, 1949, an explosion occurred in a frozen food store in Athens. It is alleged that the Cox Brothers were negligent in installing a gas stove in the store in that they failed to test a gas line before lighting the stove.



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so are we . . . SPECIALISTS in WRITING

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Agenda Prepared for International Assn. of Insurance Counsel

The program for the annual meeting of International Assn. of Insurance Counsel, July 6-8 at White Sulphur Springs, has been completed.

On Wednesday, July 5, the executive committee will meet. The regular meetings will begin Thursday morning with an address of welcome from Frank C. Haymond, chief justice of the West Virginia supreme court of appeals. The response will be given by Ernest W. Fields, general counsel of U. S. Guarantee.

Following the report of President L. Duncan Lloyd, Lord, Bissell & Kadyk, Chicago, talks will be given by Cody Fowler, president elect of American Bar Assn., and by Dr. Francis P. Gaines, president of Washington & Lee University.

In the afternoon, there will be an open forum with Victor C. Gorton, Allstate, as moderator. P. L. Thornbury, Farm Bureau Mutual Auto, will discuss "Use of Other Automobiles, Drive Other Car," and the subject will be discussed by James B. Donovan, National Bureau of Casualty Underwriters; Casper B. Ughetta, Chubb & Son, and Francis Van Orman, Bankers Indemnity. Clinton M. Horn, McKeehan, Merrick, Arter & Stewart, Cleveland, will talk on "Reservation of Rights and Non-Waiver Agreements," and discussion leaders will be Lewis C. Ryan of Hancock, Dorr, Ryan & Shove, Syracuse, and H. Beale Rollins, Rollins, Smalkin, Goudy & Weston, Baltimore.

In the evening there will be the president's reception followed by dancing.

Home Office-Counsel Relations

On July 7 there will be another open forum in the morning with L. J. Carey as moderator. The subject is "Relationship Between Home Office and Trial Counsel," and the home office point of view will be presented by Royce G. Rowe, Lumbermens Mutual Casualty, and John C. Graham, Aetna Casualty. The lawyer's viewpoint will be given by John A. Gooch, Cantey, Hanger, Johnston, Scarborough & Gooch, Ft. Worth, and A. R. Christovich, Christovich & Kearney, New Orleans.

That afternoon will be given over to a golf tournament and a ladies' bridge tournament.

The speakers at the general session on Saturday will be Alf T. Persson, Toplis & Harding, on "Some Aspects of Fire Loss Adjustments"; Col. Reuel C. Stratton, Travelers, on "Underwriting of Risks Within Plants of U. S. Atomic Energy Commission"; Dr. W. G. Pollard, director of nuclear studies at Oak Ridge, on "The Effect of Atomic Energy on Underwriting." The new officers will be elected at this session. The new association president will be Wayne E. Stichter of Toledo.

Portland Agents Get Results with Bank-Agent Ads

Advertisements of Portland (Ore.) Assn. of Insurance Agents in two local papers promoting the bank-agents auto plan have proved highly successful. The association's house organ, reporting on the "ad" which appeared once in each of the two papers the first week and again on the same day that the association inaugurated a billboard advertising campaign, remarks that the advertising agency reported they brought more inquiries than any they have handled.

Total mail inquiries received at the association office the first week were 140. Of these, 70 showed a Portland address and 70 showed addresses outside the city. There were a number of office calls. One member reported that he not only secured the automobile insurance on his inquirer, but sold \$3,000 of furni-

ture insurance and expects to sell \$15,000 on the home.

Eight billboards will be utilized in a one month campaign on the bank-agent plan. The sign shows a picture of an ancient car with the question: "Buying a new car?" The copy asks the prospect to see his insurance agent first for helpful advice on financing.

Form New Hartford Agency

An agency specializing in fidelity and surety bonds but handling all lines has been opened at Hartford by William H. Walsh of West Hartford and William F. Slaymaker of Bloomfield.

For more than five years, Mr. Walsh has been manager at Hartford for National Surety. He had previously been special agent at Hartford and assistant manager of the claim department of American Associated.

Mr. Slaymaker was with Pratt & Whitney and United Aircraft divisions of United Aircraft Corporation. For three years he has handled marine insurance and has worked as a boat and aircraft broker.

Insurance Women's Club of Binghamton, N. Y., held a dinner meeting at which new officers, headed by Mrs. Allice Barber as president were installed.

Ala. Orders Withdrawal of Installment Plan

Brooks Glass, Alabama director of commerce, has ordered withdrawal of the installment payment of term fire premiums because it discriminates against cash buyers, annual and term. Widespread use of the plan would weaken the cash and surplus positions of all companies, he said.

Glass's findings after a hearing were that Alabama Rating Bureau, which filed the plan, does not favor continued use of it; the bureau has not furnished figures to prove the 30% charge is adequate for company safety, or excessive. It is discriminatory because annual insured doesn't get automatic reinstatement of insurance after loss as does the installment purchaser, and in case of rate increase, the annual cash buyer would pay the hike but the installment purchaser is protected against it to the end of the term. If rates decline, the installment buyer can drop the cover and replace at lower cost without penalty. Substantially the same discrimination works against the policyholder who pays full premium for term in advance.

The furnishing of figures to justify

the plan by only two of more than 250 companies members or subscribers of the bureau is not representative enough. Glass doubts if installment not yet due can be legally shown as company assets, yet insurers would still have to maintain premium reserves.

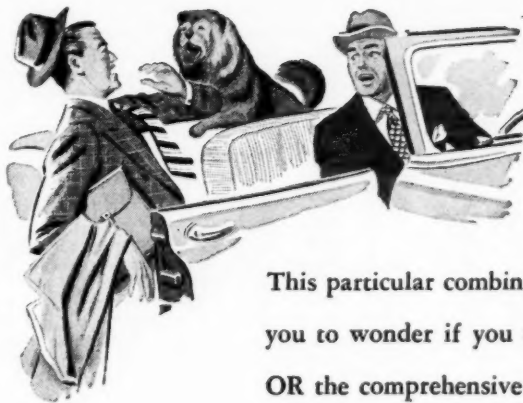
In event an insurer goes broke the installment buyer can lose the prepaid premiums only for one year, the cash buyer for five years. No extra premium is charged for this preferred status. Complications of the installment plan can't help but add to the expense factor, thus eventually increasing rates for everyone including cash buyers.

Bradford Smith, Jr., vice-president of North America, telegraphed all Alabama agents Wednesday to the effect that a court order stays the effective date of the order of withdrawal by Glass.

"We appealed the ruling of the director of commerce," the telegram stated, "disapproving our installment payment plan. On June 19 the court issued an order which said in part to the director of commerce: 'You will take no steps to enforce your order of June 8 until this matter shall be examined by this court and its judgment in the premises entered.'"

"Counsel advises us that it is proper to issue our policies . . . pending final decision by the court and you are authorized to do so in our behalf."

Let's take it one step further...



Now that you know the answer to the question this illustration posed . . . let's consider how you can successfully go about selling the new policy —Comprehensive Personal Liability Including Automobile.

This particular combined policy is brand new. So new that it's natural for you to wonder if you should talk up the automobile angle of this policy OR the comprehensive personal liability. If you base your sales approach on the wrong one, you're wasting your breath!

Why take chances with the wrong approach when we can give you a guide to selling this new policy? "A New Sales Slant for a New Policy," a reprint of an article which discloses this information, is yours for the asking. Write the Advertising Department for your copy.

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NEW POLICY DESCRIBED

Improvement in Jewelers' Block Contract Increases Salability

By WILLIAM E. MYERS

Secretary, Commercial Union Assurance

Companies who are members and subscribers of the Inland Marine Insurance Bureau, the national rating and filing organization of the stock companies, will shortly introduce a completely revised jewelers' block policy that should be very well received by the jewelry industry. The new form will be issued for policies attaching on and after Oct. 1, 1950. The filing made with state insurance departments stipulates that existing policies may not be cancelled to be rewritten under the new form, except at short rate at the request of the assured, and that policies expiring prior to Oct. 1 may not be extended by endorsement to expire on or after that date.

As of June 17, the filing had been approved or accepted, or will otherwise become automatically effective, in all jurisdictions excepting New Jersey and Hawaii, where it is still under consideration. The new policy with its accompanying rules and rating schedule entailed 2½ years of study and research by a subcommittee of the bureau, and it represents the most comprehensive revision since the underwriting of this unusual property insurance contract was undertaken by American insurance offices in 1925.

The policy is modern in content and format and will more completely fulfill its title of "block" policy. The revised and refined rating schedule will better reflect in the premium promulgations the wide variations in exposures and

protection found in the individual jewelry store or manufacturing or wholesale operation, and this has been supplemented with an experience rating plan by which each account will receive credit in the premium promulgation for a favorable claims experience record.

The revision includes considerable editorial clarification in the policy form, supplemental standard endorsements, and in the proposal form which is required in all cases for premium promulgation and becomes a part of the policy. Particular care was taken in the drafting of the proposal to meet the requirements of the new policy and rating schedule, so that the required information can be easily supplied in a concise and clear manner.

BROADER FEATURES

The more important changes in the policy conditions that provide broadened protection for the policyholder can be summarized as follows:

(1) The new policy retains an exclusion for loss by earthquake and flood (meaning rising navigable waters) but this is now limited to loss occurring at the premises of assured stated in the policy, and an extension to cover those hazards may be obtained for additional premium. In contrast, the existing form excludes in clause (D), with respect to risks on land, any loss resulting from

"typhoon, hurricane, tornado, cyclone, volcanic eruption, earthquake, flood (meaning rising navigable waters), subterranean fire or other convulsions of nature."

(2) The new form does not contain an exclusion of riot, strikes and civil commotion, whereas the current policy does contain as a part of the war risk exclusion clause (C) an exclusion for any loss "caused by or resulting from strikes, lock-outs, labor disturbance, riots, civil commotions, or the acts of any person or persons taking part in any such occurrences or disorder."

It has been the practice to delete in whole or in part the two exceptions in clauses (C) and (D) for additional premium, so that there will be a premium saving where such extensions have been required. Policyholders who have elected to exclude from the block policy the risks of fire and lightning on stock (and other people's goods) at their premises and have insured those perils separately will, in most cases, no longer require the extended coverage endorsement on their fire insurance policy. In view of the generally "all risks" coverage of the jewelers' block policy, it is considered that the inclusion of the perils that have heretofore been excluded will

Mr. Myers is chairman of the subcommittee of Inland Marine Insurance Bureau which prepared the revised rates, rules and forms for the jewelers' block policy. The first introduction of the form to members of the jewelry industry was given June 20 by Mr. Myers in a two-hour discussion of jewelers' insurance needs to jewelers participating in the jewelry store management and merchandising training program at New York University's school of retailing.

resolve any possible difficulties that might otherwise be experienced in determining precisely the damage that would be recoverable under the jewelers' block policy and what should properly be charged to the separate specific insurance.

New Shipments Provision

(3) The policy has provision for insuring shipments made under receipt of the passenger parcel transportation services (as distinguished from the freight divisions) of railroad, waterborne or air carriers and passenger bus lines, and by the specialized type of motor carrier who operates exclusively as a local customer parcel delivery service. This extension will meet the need that has developed because of the increasing use

of these carriers by merchants in recent years. Many communities in sparsely settled regions not served by Railway Express Agency and with irregular mail service depend upon motor bus or "stage" lines and intrastate or interurban short line railroads for communication. Heretofore, it has occasionally been necessary to issue separate policies to cover shipments by these means and the inconvenience is now eliminated.

The policy will contain an agreed limit to apply to any one loss of shipments in the custody of the carriers just described and provision has been made in the proposal for reporting the total values shipped during the preceding 12 months by these means.

(4) Breakeage of articles of a fragile or brittle nature is presently covered only if caused by burglars, thieves, fire, or an accident to a conveyance in which the property is being carried. Clause (F) has been extended in the new policy to include the additional perils of lightning, explosion, aircraft, vehicles, flood, earthquake, windstorm, strikers, rioters, persons taking part in labor disturbances or civil commotion. If the option of the policyholder to exclude from coverage the perils of fire and lightning at his premises is exercised and the basic policy exclusions of earthquake and flood at the premises are not deleted, the coverage afforded by the clause is accordingly modified.

Window Display Cover Improved

(5) The present "Window Smashing Endorsement" fixes limits of liability to apply to all loss or damage to property within show-windows, in consequence of the smashing or cutting of the windows, and these limits are further modified by a 20% participation or deductible clause which appears in the basic policy and is referred to in the endorsement. For simplicity and improved coverage, a rearrangement was made. An exclusion has been placed in the basic policy, for "loss of or damage to property contained in show windows at the assured's premises by theft or attempted theft accomplished by or resulting from the smashing or cutting of such windows." When applied for in the proposal, the policy will be extended to cover window displays with specified limits to apply separately to the periods during which the premises are open to business and while closed to business. The 20% participation clause has been included in the endorsement and, as at present, it may be deleted by agreement for an appropriate additional premium.

For further clarity, an additional exclusion has been incorporated to limit coverage with respect to property exhibited by the assured in show cases or show windows, elsewhere than at the premises of the assured to those exposures which are specifically covered by endorsement with an appropriate premium charge.

(6) In recognition of a need that has been evidenced, the new policy will indemnify the assured for the damage (except by fire) to the part of the building occupied by the assured which directly results from theft or any attempt thereat, providing the assured is the owner

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of such premises or is legally liable to the owner for such damage. Recovery is limited to 10% of the amount of insurance on stock (and other people's goods) applicable at such premises, and the company's combined liability for loss to stock and for damage to the building is not increased thereby.

OTHER CHANGES

While it is not possible to detail all the editorial changes in this resume, there are several to which attention should be drawn.

The territorial limits of the policy have been extended to include Puerto Rico and stock will not be covered "anywhere in, and in transit within and between the Continental United States of America, Alaska, Canada, the Hawaiian Islands and Puerto Rico." The rules permit the extension of the territorial limits to accommodate individual situations for which insurance protection may be required.

The optional coverage for shipments by first class registered air mail or air express presently provided by separate endorsement has been incorporated in the basic policy with the limit of liability to apply to shipments sent to any one addressee at any one address during any one day.

Exclusion (B) has been expanded to clearly eliminate claims for loss caused by "delay, loss of market, gradual deteriorations, moth, vermin, inherent vice or insufficient or defective packing." The original language which excludes "damage sustained while the property is being actually worked upon and directly resulting therefrom" has been retained.

Privilege to Wear Watches

The privilege to wear watches solely for the purpose of adjustment has been incorporated in exclusion (H) which otherwise excludes any loss or damage occurring while the property is being worn by assured or an officer, member,

director, agent, employee, servant or messenger of the assured and by any other dealer engaged in the jewelry trade or persons similarly connected with the dealer, or by any member of the family, a relative or a friend of any of the aforesaid or while in their custody for such purpose.

An important change occurs in clause (E) with respect to policy requirements for shipments via Railway and Air Express, both surface and air, made by assured, its officers, agents, servants or employees. Any single package of a value of \$1,000 or more will not be covered unless it is sealed with wax or lead and unless a special declaration of value is made to the carrier amounting to not less than 10% of the actual value of the contents of the package. The stipulation "will not be covered unless" replaces a mutual agreement that all such shipments will be treated in the manner described.

Exclusion (K) of the current policy reads in part, "No claim shall attach for any unexplained shortage." In the new policy, that portion of the exclusion has been changed to read "unexplained loss, mysterious disappearance or loss or shortage disclosed on taking inventory." The new language has not been selected to restrict the form, but to more clearly express the purpose of this exclusion.

Minimum Premiums Reduced

The policy minimum premiums have been generally reduced except with respect to "loose diamond risks" which are a special category in the wholesale and manufacturing classification. The revised minimum premium schedule is:

Retailers and pawnbrokers (per sales location)—\$125.

Silverware dealers (per policy)—\$125.

Loose diamond risks (per policy)—\$750.

All others (per policy)—\$275.

The revised rules continue the options to add to the policy insurance on patterns, molds, models and dies at the premises of the assured against fire,

burglary and theft, perils of the fire-extended coverage endorsement, earthquake, theft following earthquake, sprinkler leakage, and flood. Money may be insured in locked safes or vaults against the risk of theft by the safes or vaults being broken open. In states which do not specifically prohibit the insurance under this policy of furniture, fixtures, machinery, tools and fittings, such property may be included for the same conditions as patterns, molds, models and dies.

When earthquake is to be covered with respect to premises located in California, Oregon, Washington, Idaho, Montana, Utah, Nevada, Arizona and Hawaii, an "earthquake assumption endorsement" is required to be used and is similar to that used by fire underwriters in those states.

Preview of Traffic Safety Film Held in New York

NEW YORK — "And Then There Were Four" is the title of a 25-minute traffic safety film presented by Socony-Vacuum Oil Co., which was previewed here at a meeting co-sponsored by Assn. of Casualty & Surety Companies. A cocktail party and dinner followed. Julien H. Harvey, manager accident prevention department of the association served as chairman.

The film story concerns five unlike families all of which have one member who starts off the day driving an automobile. There is a preoccupied widow who has two young children to support, her neighbor is a salesman who cuts out in front of other cars without looking. A truck driver, who needs to have his brakes adjusted but never finds time is the third driver. A physician who often exceeds the speed limit is the fourth driver while a young driver with a jalopy is the fifth.

None of the drivers is wantonly reckless. Yet, out of these five who leave home in the morning, only four will



At meeting of insurance commissioners at Quebec—T. A. Long, United National Indemnity; Vestal Lemmon, manager National Assn. of Independent Insurers, and Henry Moser, counsel of Allstate.

return. The film reaches a peak of dramatic tension as members of the five families, who are listening to the evening newscast, hear about the fatal traffic accident.

The victim, who is almost unidentifiable, turns out to be the young widow. The film closes as a police officer is making preparations for the orphaned children's entry into a welfare home. A voice is heard saying, "But it was only a minor traffic violation." Film star James Stewart is narrator.

Senior high schools, colleges and any other adult audience are suitable groups for viewing this film. Transportation costs are the only charge for obtaining the film, according to Modern Talking Picture Service, Inc., 45 Rockefeller Plaza, New York 20, N. Y.

Zachary Hickman Mentioned

The Danville attorney who is being mentioned as a possible successor to Harry B. Hershey as Illinois insurance director in view of persistent rumors that Mr. Hershey's resignation is imminent is Zachary Hickman, and not Melville Hickman, as was stated in last week's edition.

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Urges Caution in Era of Novel Filings

(CONTINUED FROM PAGE 2)

desire to attract attention to themselves by imposing novel and untested theories upon public and agents."

The purposes of E.U.A. are to foster fair practices in the fire business, and the members are obligated to maintain the highest standards of business ethics, he said. As an advisory and research organization, it supplies information, statistics, results of study and the recommendations to rating organizations in its territory. Perhaps it should supply members with more information than it does, but then not all members perhaps are aware of or use the amount of valuable information its committees and staff turn out in a year's time.

Public appraisal places the penalty of leadership on the larger companies, he added. Only through a trade association devoted to constructive trade practices can good leadership be exercised in the interest of those which have common interest and desire to promote good public relations to their industry.

As to multiple line packages, he said that only conference and mature study can determine which of these proposals are sound, in the public interest, and in the interest of the insurance business as a whole. No individual company has statistical data sufficient to enable it to determine whether proposed new forms and rates are reasonable, adequate or actuarially sound. No opinion from producers is tapped to see whether it is salable or whether it meets a demand. Loss men seldom are consulted when independent filings are made, and one person's experience is not conclusive.

Some of the filings have been without submission to constituted rating organizations and without any cooperative study of forms or rates as to which

forms are to be issued. If this disturbing condition continues, it might well develop into a major catastrophe for insurance. If each company were to file a different form covering combined perils at different rates the rate structure would break down and classified experience, base of rate regulation and revision, would be destroyed.

He said he was not advocating running to insurance commissioners for help because "they are now being tempted here and there to inject themselves mistakenly into management problems which they confuse with supervisory or regulatory powers. We are the ones to nip this trend in its early stage," he declared.

It is time to survey the situation, take council and call a halt to the confusion of independent filings. He thinks some commissioners have been wise to insist that forms and rates submitted independently be referred back to advisory bodies and rating organizations. Stability and uniformity of rates are tremendously important to the insuring public and to the economic health of agents and brokers.

Effect of Deductibles

As to fire deductible, he said he could demonstrate with this that no agent's business would be safe from one day to the next. Smaller insured would obviously carry too great a load in his full coverage rate while the big insured would not pay his full share of all losses, thus destroying fundamental averages without which the business would collapse.

He quoted section 7 of the all-industry rate law dealing with deviation, which calls for adherence to the filings except by written application to the commissioner for permission to file a

deviation. This would seem to bind members and subscribers to the filings made by the rating organization on their behalf and give no right of independent filing. Under the machinery in the bill, the commissioner must consider the industry as a whole and its experience. Rating organizations too have the right to notice and a hearing. This is a long way from saying that a member or subscriber may independently file on a subject over which the rating organization has jurisdiction and without notice to the rating organization, without study or action by the rating organization and without a hearing to see if the filing is fair and in the interest of the public.

Filings Should Go Through Bureaus

He thinks all proposed filings should be submitted for process to the rating organization of which applicant is member or subscriber. If this is reasonable and fair, the filings should be filed by the organization on behalf of members and subscribers. Only thus can order be maintained. There is room for conference with other recognized bodies on multiple line features, and a determination through cooperation for the proper rating organization to make the filing.

Novel and untried forms, rating plans and practices need further research; they should be approached in an orderly, sensible way. The business must not be stamped into competitive frustration. E.U.A. should and must take the initiative and leadership in preventing unlawful, dangerous and unsound practices. It is close to the commercial aspects of the business, it is advisory to its pricing machinery and the technicalities of form and coverage. It has a rating methods research committee to study new rating ideas and developments and make recommendations to rating organizations. It is an ideal committee to conduct research work in connection with any new filing, including those of a multiple line nature.

Requests Use of Committee

He "requested" that the machinery of this committee be utilized and that members of E.U.A. file with the committee any suggestions they have for modifying existing rate filings or new filings—and that this be done with fire coverage and proposed multiple line covers.

In his discussion of public relations activities, Mr. Robinson said his committee had met with managers of rating organizations in E.U.A. territory and that increased P.R. activity on the part of all such organizations is clearly evident. One rating bureau prepared a complete instruction booklet for agents' employees dealing with methods of avoiding criticisms and notices of error on daily reports and endorsements, and informal instruction sessions were held in strategic areas with the cooperation of agents. A branch office of another bureau reduced criticisms by more than 50% through similar meetings with agents' employees.

The question of selection and training of young technical personnel was explored with rating managers. College placement managers, it has become evident with discussion, are not aware of the opportunities in the business and have not been encouraging students to look into the possibilities of an insurance career. The suggestion has been made that a booklet describing the opportunities in rating organization offices, adjusting, selling, local agency and other insurance fields be prepared in a comprehensive way that would induce college placement officers to distribute them to prospects.

GEORGE VAN BUREN, independent adjuster of Chicago, who was highly valued nationally for his knowledge and diplomacy in the marine field, died at the age of 58 after a long illness. He was especially well posted on antique furniture, painting and fine art. He had operated his own office about 24 years and prior to that was Chicago manager of Toplis & Harding.

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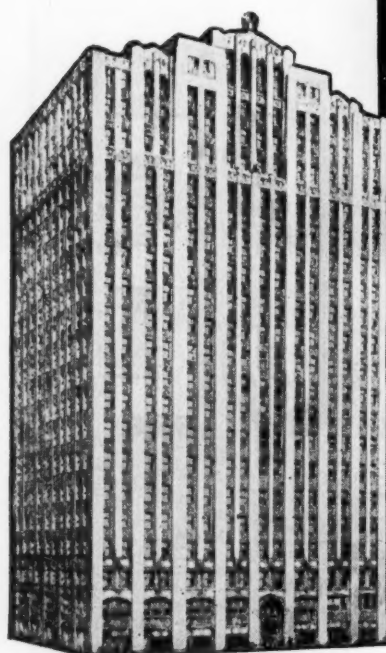
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NORTH AMERICA PROPOSAL

Analyze Growing Pain Problems of U. S. Reinsurance

Establishment of an American market for reinsurance with capacity to handle the bulk of the business now flowing abroad to non-admitted insurers is advocated by North America in a proposal presented to the reinsurance committee of National Assn. of Insurance Commissioners.

If American reinsurance is to reach maturity, North America contends it must be given no less favorable treatment than that accorded non-admitted companies. American reinsurers should not bear greater burdens nor share lesser privileges than their non-admitted colleagues. The rule should be, that whatever Lloyds or any other non-admitted company is permitted to offer in this country should be equally open for offering by American companies. The American reinsurance market expects to pay taxes, North America adds.

One of the most striking economic developments in the U. S. since the war has been the speed and completeness with which American reinsurance has come of age, the company observes. If it is to pass this point, careful and serious consideration must be given to what comprises the American reinsurance market, and to what should be the correct relation of foreign, non-admitted insurers to it.

One major form of coverage is catastrophe insurance. Within the last week North America has entered this field, and others are expected to participate. Analyzes Business Classes

In its proposal to N.A.I.C., North America points out that in discussing reinsurance, the various classes of business, fire, inland marine and automobile should be examined to determine which portions of them are not really a problem. It refers to those fire, automobile and inland classes subject to local agency service which are usually delegated by the company to agents for acceptance and declination without reference to the company. Public interest, in addition to competitive factors, requires the elimination from this class of special expense factors applicable to other classes of business. The figures of North America, which are typical of the rest of the industry, indicate that these cases account for well over 80% of premiums and over 97% of policies issued. It is only the balance of the business that becomes the problem of reinsurance.

The question is frequently asked: How does a company usually deal with the individual risks subject to local agency service—particularly in the fire insurance field? It has been generally recognized that insurance cannot ar-

range a well balanced book of fire business based on an exposure to loss beyond \$300,000, on inland business not more than \$100,000.

How much a company should retain on each individual risk is normally based upon the available money, and this is one of the most important subjects of management. After deciding what the retentions shall be, the usual procedure is to set up a "line sheet," and the lines in excess of the limits are reinsured. This reinsurance is usually handled by what is commonly known as a "line treaty." This is entirely different from excess of loss for catastrophe purposes.

U. S. Market Adequate

It must be emphasized that there is no need whatsoever to go to non-admitted markets—there is plenty of capacity in the U. S. to handle this type of reinsurance.

There must next be discussed the classes which are not subject to local agency service, as defined. It would appear essential to recognize that these classes are separate, and different treatment of expense exists. Among these classes are pools and syndicates, interstate business, special hazards and risks, excess of loss (deductible), and catastrophe.

The risks within these classes require special reinsurance treatment. Tailor-made reinsurance contracts are necessary in this connection.

Next is the question of dealing with an entire class, or the whole of a company's business, on the basis of excess of loss (deductible), as distinguished from catastrophe coverage. It is perfectly proper for management to decide that it does not wish to be exposed to more than a given amount, far below what would be a catastrophe to its company. Many companies purchase this type of reinsurance, usually for a percentage of their premium income.

With regard to all these types of reinsurance, two facts make clear the prime importance of a proper relationship between the American market and foreign, non-admitted insurers. First, it is practically impossible for an insurance department to determine the solvency of a given company unless the reinsurance position of that company can first be established. Second, as has often been stated, one of the most forceful means of affecting the direct insurance market is through the leverage of reinsurance.

For many years London reinsurers have assisted the American market in the successful handling of its problems. The volume of London underwriters' "in force business" at the end of 1949, as reported by the companies to New York, is at least \$119 million (\$85 million being indicated for Lloyds alone) and is obviously much more than this. These figures, of course, do not include the policies issued to individual insured in the U. S.

As recently as a year ago domestic companies might not have been able to take care of 40% of the reinsurance offerings in this country. So long as this condition prevailed, and until a substantial reinsurance market had been established in the U. S., regulatory authorities could not easily deal with the question of unauthorized insurers which do not pay tax. Now, however, when domestic insurers have come of age, and are able to accept the role of leadership in the field of reinsurance, the business is free to face this most important question: What is to be done about this great volume of business draining away from both insurance companies and insureds, out of the U. S. and without taxation?

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(CONTINUED FROM PAGE 2)

that has been evolving within the insurance industry since about 1915, Mr. Carson said in his address.

He mentioned the development of bankers blanket bonds, the 3-D policy, and the extended coverage in the fire policy. All these came from within the industry. Automobile comprehensive is another example, and Mr. Carson pointed out that the experience on specified automobile perils such as fire and theft is becoming progressively thinner for rate making purposes as more of the comprehensive is sold. Underwriters are rapidly reaching the conclusion that the time is at hand when rates should be established for the class experience of comprehensive as a whole with fire and theft at a suitable percentage.

The importance of rate making bodies contributing to uniformity and standardization was emphasized by Mr. Carson. He stressed that there is ample room for competition even among members of bureaus in the field of claim service and engineering.

Buyers are aware of the value of pooling experience. Companies writing hospital malpractice have been acting independently, but now the National Bureau is about to take over jurisdiction of this line, partially on the recommendation of American Hospital Assn., which wants a pooling of data.

Mr. Carson reiterated his plea that joint planning committees representing various segments of the industry be established to further the practice of multiple line underwriting. He said the business is presented with a challenge to develop policies which, by their broad scope of coverage and their simple rating structures, can be readily appreciated, broadly underwritten, and widely sold. An immediate objective should be to provide better insurance protection for one of the biggest potential markets in the country, the family market. This field is largely untapped, he added, as respects liability, burglary, and inland marine, and it is still only meagerly developed as respects fire and extended coverage on personal effects, even though there may be more widespread insurance on buildings. The prospects in this market are to be found among the 28 million families in the country, and this number is expected to increase by seven million in the next five years.

Long haul trucks and buses have been given a bad reputation because some insurance companies have neglected to service them properly, Mr. Markel said.

He charged that some of the companies have forgotten they have insured buses and trucks and neglected to service them completely. Then having lost money, they put the blame on the truckers rather than on their own failures. The result of this lack of service has done irreparable harm, he added, not only to the long haul trucks and buses, but also to the agents.

He told the agents that if a company accepts this class of business as an accommodation and the loss ratio is unfavorable, the agent will be faced with a cancellation notice which in addition to giving the insured a bad reputation, puts the agent on the spot in the event he can't place the line with another company. Added to this is the possible resulting loss of commission and contingent commission if catastrophe loss develops from a truck or bus line which the agent has "induced" his company to write.

Practically all bus and truck risks carry limits up to \$100,000 or more and accidents of this severity are becoming more frequent. Mr. Markel asked whether it is good business for the agent to force the company to take a risk that will result in a loss of more contingent commission than the agent can earn in regular commissions on the truck or bus risk.

Lloyds Placement of Fire
Deductible Upheld in Cal.

(CONTINUED FROM PAGE 1)

and every loss with a total provisional premium of \$48,000. Particulars of this coverage were the same as under the first memorandum. The total value of all property covered was shown to be about \$43 million, involving 35 locations with 11% of the value in California.

The decision tells of a survey which James & Co. had made and lists approximately 100 representative stock fire companies in which all of these insurers "refused to accept the subject risk on a deductible basis either on stock alone or on buildings, equipment and stock. The refusal, in general, was immediate and without discussion or consideration of underwriting additions or rates," according to the summary.

Self-Insured to 86%

Mr. Benjamin tells of another survey made by the California department covering 69 admitted U. S. stock companies, 10 admitted alien stock companies, three admitted U. S. mutuals, nine insurers comprising the Factory Mutual group and 97 admitted carriers forming Factory Insurance Assn. He reports that with the exception of the Factory Mutual group, refusal of the risk involved the non-acceptability of deductible fire contracts, with some of the carriers indicating objection to other elements of the proposed contract and to the rate at which it was written. Factory Mutual group indicated unwillingness to accept the risk for underwriting reasons.

Mr. Benjamin's decision states that the record of the Carnation Co. for 29 years indicates that had the subject contract been in effect during the entire period, approximately 86% of the total losses would have fallen upon the assured under its retention.

Seek Rallying Point in
Expense Only Modification

(CONTINUED FROM PAGE 1)

invoked the 60-day delay provision. The same thing happened in Alaska.

Dineen of New York said in the Escott plan proceedings in his state the opening statement ran 200 pages and took from 11 a. m. to 6 p. m. The evidence comprised 14 volumes and 5,000 pages. It required 45 hearing days and much of the time of three deputies. His point was that if the proceedings are to be as laborious as that state by state, this will be an interminable matter.

Mr. Butler said he is not accusing the opponent of wilfully slowing up the proceedings.

Harrington asked how this can ever be a national plan in view of the fact that it has already been rejected in several states. Mr. Butler countered that if perfect unanimity is sought nothing will ever be accomplished. In this connection Mr. Carey remarked that since April the plan has been rejected in Colorado, Wyoming, Kansas and Rhode Island.

Hartford Fire States Principles

At a second session, a letter was read from J. C. Hullett, vice-president of Hartford Fire, voicing opposition to the Escott plan on the ground it is arbitrary and unfairly discriminatory and that it is an unsound and potentially dangerous principle in fire insurance underwriting to inject the factor of experience rating on an individual account basis. General adoption of this principle, he wrote, would jeopardize the principle of fire insurance rating.

R. E. Hall of Automobile seconded those views. He said the opponents are not obstructionists, but they believe that until the matter is settled right it won't be settled at all.

The N.A.I.C. committee voted to "receive for consideration" a memorandum

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from T. D. McCarl, manager of Multiple Location Service Office, recommending amendment of the Escott plan so that the final average rate would not be increased more than 25% because of any single loss over what the final average rate would have been had not that loss occurred. Also the memorandum expressed objection to a proposal to lower the maximum surcharge to 200%. Also M.L.S.O. brands as impractical the suggestion to have loss experience on tariff premiums rather than earned premiums.

L. A. Vincent of National Board presented proposed changes in water damage and sprinkler leakage other than extended coverage experience reporting. The committee and the association approved the request the number of classifications be reduced and that the figures be presented on a country-wide basis, but rejected the request to do away with individual state experience reporting. Harrington of Massachusetts insisted that the laws of his state and others require that attention be given to experience within as well as outside of the state. Mr. Vincent argued that the volume involved is so small that state figures are meaningless but are costly to produce.

The proposal concerning catastrophe cover and excess of loss coverage presented by L. C. Lewis of North America was on the agenda, but the proponents of the program did not appear.

Ambrose Kelly of the factory mutuals said his companies have filed deductible plans and take the position that this does not constitute reinsurance. They believe that reinsurance implies that there is an originating insurer.

The proposal advanced earlier by T. D. McCarl for use of a provisional rate on multiple location risks where there is delay in getting the initial rate through the ordinary course, was not acted upon.

Maryland Rates Cut

Maryland has approved a 15% reduction in automobile collision rates that will effect a premium reduction of \$750,000 annually to motorists there. National Automobile Underwriters Assn. filing is effective immediately on all new policies and applies on Aug. 1 to all policies regardless of when written. The new classification plan based on age of driver and use of car was also adopted. There is a difference of about 10% in rates between class one and class two. Class one received an 18% rate reduction and class two a 9% reduction.

Output Policy Action

The Aetna Fire automobile output policy has been approved in Minnesota and North Carolina and turned down in North Dakota.

Tenn. Assn. Reduces Dues

NASHVILLE.—At a meeting of the directors here, membership dues of

Tennessee Assn. of Insurance Agents were reduced following announcement by Manager George L. Goss that a membership campaign had increased the number of members from 356 to 487.

One-day regional training schools were announced, to be held at Johnson

City Sept. 18, Knoxville Sept. 19, Chattanooga Sept. 20, Nashville Sept. 21 and Memphis Sept. 22.

William H. Kreidler has opened a new agency in the American building at Cincinnati. He formerly was with the Schneller agency.

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Automobile
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David Forbes of Michigan, outgoing president of National Assn. of Insurance Commissioners, and W. Ellery Allyn of Connecticut, the new president, at Quebec convention, photographed by Harry H. Fuller, deputy U. S. manager of Zurich.

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NEWS OF FIELD MEN

Indiana Field Men Elect Albrecht

Stuart M. Albrecht, Phoenix of London, was elected president of Indiana Fire Underwriters Assn. at the annual meeting at Culver. Don G. Kaga, Secured F. & M., is the new vice-president, and Miss Elizabeth Cooper was reelected secretary.

Talks were given at the business sessions by Phil Eskew, principal of the Wabash, Ind., high school, and Kenneth S. Ogilvie, assistant manager of Western Underwriters Assn. Mr. Ogilvie discussed public relations and stressed particularly the scholarship program of W.U.A. He mentioned the

need for the field men to talk about the scholarship awards when they are in agencies and meeting with civic groups. There is a need for more applicants for the program.

Among the visitors were Charles J. Lingenfelder, secretary of America Fore; R. L. Blomgren, secretary of Springfield F. & M., and Charles M. Mullican, agency superintendent in the western department of Fireman's Fund.

The Indiana field men had to move their scene of operations from Wawasee this year, following the sale of that resort, and this was their first meeting at Maxinkuckee Inn. It proved very successful, with more than 130 on hand.

Ray Named in Tenn.

Fireman's Fund has appointed B. M.

Ray as special agent in Tennessee with headquarters at Nashville. He will be associated with R. E. Boling, state agent, and J. F. Church, special agent.

Mr. Ray has studied marine engineering and for the past two years has been with Tennessee Inspection Bureau.

Wis. Field Groups in Annual Meetings

BAILEYS HARBOR, WIS.—Four field men's organizations held their annual meetings here June 20-22, with William Berry, Continental, and Eli Shupe, Home, as co-chairmen of the general arrangements committee.

Wisconsin Blue Goose held its annual dinner, meeting and initiation Tuesday evening, preceding the field club sessions. The slate of new officers included Howard W. Bailey, Sr., Meserole group, most loyal gander, succeeding John A. Nelson, Home; Lloyd Wallace, Jr., Niagara Fire, supervisor; H. L. Mauritsen, Fireman's Fund, custodian; M. P. Griffin, Connecticut Fire, guardian; Howard J. Zibble, Agricultural keeper, and Harold J. Lacey, Home, welder. Irven I. Frey, Firemen's, past most loyal gander, again acted as installing officer. A general mixer concluded the evening's activities.

Separate business sessions were held Wednesday morning by Wisconsin Fire Underwriters Assn. and Wisconsin Insurance Club.

Mauritsen Reviews Year's Work

President Mauritsen of Fire Underwriters Assn. reviewed the year's activities in his address. He commented on the outstanding job of the public relations committee under the leadership of J. A. Lossman and Paul Schrage, co-chairmen, and recommended consideration of carrying on further development of plans now well formed. The legislative committee, headed by W. H. Berry, was similarly complimented on its work.

Other activities praised were those of the contact committee, under the chairmanship of E. H. Knox, which was reactivated due to renewed competition from the State Fund; the liaison committee, under L. S. Wallace, Jr., and a new auditing committee, headed by Nelson-Lane.

"Throughout the year," he said, "no complaints or reports of unethical action were filed by any of our members."

"With the palmy, flush postwar days just about over, however, an undercurrent of unrest is creeping into our business. Competition is becoming keener and rumors of unethical action are spreading. For this reason alone, the need for our association is greater than ever before. Company management is influenced by reports from the field; therefore, let us investigate rumors thoroughly before reporting."

With reference to balances, he said the collection problem, while not alarming, has reached a point to warrant attention

being directed to the subject.

Later in the morning, the association and bureau field men held a joint session at which Commissioner Lange was scheduled to speak. Following the luncheon, a joint program of golf and other sports was held. In the evening there was the annual banquet at which sports prizes were awarded.

Richard A. Kenzel, Northern Assurance, was in line to succeed Mr. Mauritsen, Fireman's Fund, as president of the Fire Underwriters Assn.; Nelson Lane, St. Paul F. & M., vice-president; Willis Ludemann, North British, secretary; John A. Hamm, London Assurance, John Nelson, Home, and Mr. Mauritsen, members of the executive committee.

The Insurance Club slate presented for reelection was Albert M. Nick, Standard of New Jersey, president; William J. Meyer, Girard F. & M., vice-president, and Irven I. Frey, Firemen's, secretary.

Wisconsin Fire Prevention Assn. was to hold its business session and elect officers Thursday evening.

Kuffel Joins American as Western Kansas Special

American has appointed Charles P. Kuffel special agent handling the western part of Kansas. His headquarters will be at Wichita.

Following graduation as a fire protection engineer from Armour Institute in 1934 Mr. Kuffel went with Missouri Inspection Bureau working for three years at both St. Louis and Kansas City. He then went with Fred S. James & Co. in the engineering department at Chicago and later was transferred to Pittsburgh. He joined National Union Fire in 1943 and became Illinois state agent in 1945. Recently he has been with a local agency at Rockford, Ill.

American also has named Kenneth W. Arnold staff adjuster at the Lansing, Mich., field office. He has had a number of years' experience in loss work.

Scott to National in Cal.

National Fire has appointed Alfred I. Scott special agent at Sacramento. He has traveled for several years for Balfour, Guthrie & Co. in that field.

Petersen in Mo. Field

Thorval D. G. Petersen has been appointed special agent in the farm and hail departments of Great American in Missouri with headquarters at Kansas City. He attended University of Iowa and then established a local



C. P. Kuffel

Wm. Penn Fire Insurance Co.

PHILADELPHIA, PA.

DECEMBER 31, 1949

STATEMENT

ASSETS

| | |
|---|-----------------------|
| Real Estate | \$ 275,125.00 |
| Bonds & Notes | 2,098,022.01 |
| Stocks | 327,415.68 |
| Cash Balances: | |
| Cash on Hand and in Banks | 488,321.17 |
| Special and Guaranteed Deposits | 596,024.00 |
| Agents and Home Office Balance Not Over 90 Days Due | 475,136.89 |
| Other Assets | 32,413.27 |
| | <u>\$4,292,458.02</u> |

LIABILITIES

| | |
|---|-----------------------|
| Unearned Premiums | \$1,723,166.90 |
| Reserve for Losses and Loss Expense | 310,768.00 |
| Reserve for Taxes and Other Liabilities | 249,014.91 |
| Funds Held Under Reinsurance Treaties | 715,538.78 |
| Capital Stock | \$500,000.00 |
| Surplus | 793,969.43 |
| Net Surplus to Policyholders | 1,293,969.43 |
| | <u>\$4,292,458.02</u> |

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agency and real estate office at Schaller, Ia. For the past 16 years he has been engaged in this business except that for the past four years during the summers he has adjusted hail and farm losses for Great American in several mid-western states. He has sold his local agency business. He is a veteran of the last war.

A. O. Aune, farm and hail special agent in Illinois for Great American, has moved his headquarters to Springfield sharing office with Helmer L. Johnson.

J. B. Tetlow Joins Standard of N. J. As Ohio State Agent

John B. Tetlow has joined Standard of New Jersey as state agent in Ohio.

Mr. Tetlow for a number of years was with American in Illinois, and he later saw service with a number of other companies including Reliable Fire, Gulf and Merchants Fire of New York. In 1943 he joined General of Seattle as Columbus manager, and more recently he has been Columbus manager for Dearborn National.

Blue Goose N. W. Parley

The northwest regional conference of Blue Goose ponds will be held at Hayden Lake, Ida., June 30. The Washington pond will serve as host and delegates from Seattle, Vancouver, B. C., and Portland will participate.

Name Snyder in Louisiana

Security of New Haven and Connecticut Indemnity have appointed Howard L. Snyder as special agent in Louisiana to assist Chester E. Farrell, state agent.

Mr. Snyder started with Globe & Rutgers at New York in 1927. Since 1932 he has been in the southern field. His new headquarters will be in the Maritime building, New Orleans.

Haberer in Wis. Field

Lowell Haberer, a trainee in the western department at Chicago for the past three years, has been assigned as special agent for Girard Fire & Marine in Wisconsin, working under State Agent William J. Meyer.

Suburban N. Y. Election

Suburban New York Field Club at its annual meeting at East Williston, N. Y., installed as president, Walter F. Ficke, Providence Washington; vice-president, Henry W. Tesche, Provident Fire; secretary, Charles M. Bowman, American, and treasurer, Irving Lake, F. F. Richardson general agency.

Raymond Wiley, Agricultural, retiring president was presented a gold wrist watch.

An organizational meeting of retiring president, was presented a gold ing committees will be held July 6 in Eastern Underwriters Assn. offices.

Cal. Pond Slates Roos as Most Loyal Gander

California Blue Goose at a meeting June 30 will vote on the following slate: Most loyal gander, George K. Roos,

Thomas Humphreys agency; supervisor, Gene E. Groff, attorney; custodian, Russell C. Edgerton, Providence Washington; fielder, Warren C. Martin, Fireman's Fund; keeper, Norman Thompson, National Automobile Club; guardian, Arne J. Ulvila, London Assurance.

Gibbon Joins Fireman's Fund in Ohio Field

William R. Gibbon has been appointed special agent in southern and central Ohio for Fireman's Fund. He will be associated with K. J. Hoag, state agent, with headquarters at Columbus.

Mr. Gibbon attended the University of Kansas and served with the engineers in the war. He has been with Ohio Inspection Bureau and more recently has been with America Fore in the Ohio field.

Meek to Glens Falls

Glens Falls has appointed Laurence H. Meek special agent for Tennessee, with headquarters at Nashville. He will assist Special Agent Clarence M. Hathorn.

Mr. Meek attended Marshall College, Huntington, W. Va., was a local agent for seven years, and served three years with the marines. After his discharge in 1946, he entered the western department of Great American and later became Tennessee special agent.

Seavers in Minn. Field

America Fore has appointed Eugene S. Seavers as special agent in Minnesota, assisting E. E. Schwick, state agent. He succeeds Walter Funk, resigned. Mr. Seavers has been in the western department of America Fore at Chicago.

Burdick Heads N. J. Group

R. E. Burdick, General Accident and Potomac, was elected president of New Jersey Special Agents Assn. at the annual meeting at Springbrook Country Club, Morristown.

Thomas W. Dean, Northern of New York, is vice-president; George T. Walther, Meserole group, treasurer, and Edgar O. Rose, Pacific National, secretary.

Name Irvine in Iowa

Thomas M. Irvine has been named special agent in eastern Iowa for National Fire.

A graduate of University of Iowa, Mr. Irvine began his insurance career with an Iowa local agency. After service in the army air corps, he was with the W. L. Patton agency of Mason City before joining National Fire.

Alabama Field Men Elect

Alabama Fieldmen's Assn. at its annual meeting at Point Clear elected John R. Kitchens, Atlas, president. Wil-

Sun Transfers Parker

Sun has transferred C. Leicester Parker from Toronto to New York, where he takes over executive duties. He has been secretary of the Canadian branch since January. Mr. Parker joined Sun at Toronto in 1931, became superintendent of the fire claims department in 1937, chief clerk in 1939 and was transferred to Montreal as chief clerk in 1941. He served in the Canadian navy until 1945 when he was appointed inspector for Ontario. He was named assistant secretary of the Canadian branch in 1949.

Frederic Williams, retired secretary of Rocky Mountain Fire Underwriters Assn., and Mrs. Williams celebrated their golden wedding anniversary at Denver June 20. Their daughter, Mrs. Stanley W. Alford of Tampa, Fla., flew to Denver for the occasion.

liam K. Hughes, Bankers F. & M., is vice-president and Everett Johnson, Security, secretary.

J. C. Herren, manager Retail Credit Assn., Birmingham, and W. W. Branch, Birmingham, spoke. Mr. Branch stressed the importance of each member taking part in the Fire Prevention Assn.

Marr N. E. State Agent

Millers National has named George J. Marr state agent in Massachusetts, Rhode Island and Connecticut, with headquarters at Boston.

Starting in insurance in 1925, Mr. Marr was for many years with Field & Cowles at Boston and more recently special agent of American Aviation & General. He is an army veteran.

MARINE

Southern California Marine Men Install Hampshire

At dinner following the annual golf tournament, Marine Underwriters of Southern California installed the following officers: Gerald Hampshire, Balfour-Guthrie, president; Frank E. Kane, W. H. McGee & Co., vice-president; Neil Dunning, Marine Office, treasurer, and William J. Iliff, Fireman's Fund, secretary. Larry Bulkley, Fireman's Fund, presided. A specialty act was presented by Leonard Backus, Fireman's Fund, and Hamilton

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Thatcher, Founders F. & M.

There were more than 100 attending the dinner and 45 entered in the golf tournament. George Young of Aetna Fire won the low net trophy donated by Babaco. Robert Allen, Founders F. & M., won the low gross trophy donated by the Master Jewelers of Los Angeles. A perpetual company trophy also donated by the jewelers for the company team averaging the best low net score was won by Employers group. A golf bag donated by Underwriters Replacement Bureau of Los Angeles was won by N. B. Sherwood of the Behrendt-Levy agency of Los Angeles with the low net score for guests.

Miller Heads Marine Dept.

Hardie Miller, vice-president of Midwestern of Oklahoma City, is in charge of the recently opened inland marine department.

Claims Group Elects

Inland Marine Claims Assn. at its annual meeting at New York elected James A. Cooper, Fireman's Fund, president, succeeding Leslie A. Lloyd of Pacific Fire; Joseph Vohoril, National Surety Marine, vice-president; George S. Peterson, American-Associated, treasurer, and Francis Jarman, Birmingham

Fire, Pa., secretary. Theodore Davidson, independent adjuster, and Kenneth Buckton, Globe & Rutgers, were named auditors.

CHICAGO

Agency Honors A. F. Powrie, Retiring Fire Assn. Manager

A. F. Powrie, who is retiring July 1 as western manager of Fire Association, was honored Monday at a luncheon at the Chicago Club given by Marsh & McLennan. C. W. Seabury, chairman of Marsh & McLennan, was toastmaster.

Frank H. Thomas, president of Fire Association, attended and spoke briefly. Melvin LePitre, George V. Whitford and W. G. McKnight, assistant managers of Fire Association at Chicago, were on hand.

About ten members of the fire department of Marsh & McLennan constituted the host group, and R. M. Cunningham and William Otter of Marsh & McLennan also spoke.

Mr. Seabury presented Mr. Powrie with a gift of a handsome tobacco humidor and pipe holder.

BAUM & SON OPENS OFFICE

Baum & Son, one of Chicago's old brokerage firms, has moved to new offices in the Board of Trade building. Moses Baum, head of the office, started his insurance career in 1907 in the Chicago office of Adolph Loeb & Sons which was dissolved and reorganized as the Loeb agency. He was associated with Leo A. Loeb, its president, for 31 years. In 1938 he joined Eliel & Loeb, metropolitan supervising agents in Chicago, as an office broker. In 1939 his son, Donald D., became a partner following his graduation from the business school of the University of Pennsylvania, where he majored in insurance. From 1941 to 1946 Donald Baum was with the army, rejoining the firm as a major.

Baum & Son will operate as an agency representing a number of old line stock companies as well as Lloyds of London.

M. & M. OUTING DRAWS 400

More than 400 employees of Marsh & McLennan's Chicago office participated in the annual outing. Golf prize winners were Paul McNulty, low gross, and Howard F. Gillette, Jr., and Lloyd Thrasher tied for low net in "A" group, Arthur Wilbins low net in "B" group; and for the women, Anne Duffy, low gross, and Louise Schaumburg, low putts. Betty Wurster won first prize in the women's swimming contest.

Men's prizes were awarded by Hermon D. Smith, executive vice-president. As an after-dinner talk, Charles W. Seabury, chairman, gave the men's group a report on a recent overseas trip mentioning the improvement in living conditions and morale in Europe.

NEW YORK

N. Y. WOMEN ELECT

The Insurance Women of New York at the annual dinner reelected President Ada P. MacGregor, Johnson & Higgins; Vice-president Ruth M. Pierdon, New York Casualty and Recording Secretary Frances J. Delph, America Fore. The following were elected: Treasurer, Grace Brenner, Despard & Co; corresponding secretary, Anna M. Mackin, Excess Underwriters; historian, Lydia A. Lenzen, Northern Assurance; members executive committee, Gladys Newbrook, Hanover Fire, and Norma B. Tuttle, Bogart & Bogart.

FREEMAN IS SEIBELS HEAD

Seibels, Bruce & Co. of Columbia, S. C., have named Llewellyn Freeman manager of the New York office to succeed the late Arthur C. Baillie. Mr. Freeman is a former secretary of Great American and prior to that of Fidelity-

Phenix. He started in a Virginia local agency and then for a number of years was with South Eastern Underwriters Assn. He served for a time in the Florida and south Georgia fields.

BOARD OF TRADE TO HEAR LEE

Governor Lee of Utah will speak at a luncheon of the New York Board of Trade at Hotel Astor, June 27. Governor Lee, who is an insurance man himself, will speak on "Better Government."

Tickets may be secured through the insurance section, New York Board of Trade, at \$5.

90 AT A.I.U. GOLF OUTING

More than 90 attended the annual golf outing of American International Underwriters at Garden City country club. A. E. Gilbert, executive vice-president of A.I.U., presided at the dinner at which awards were made.

Low gross was won by George Tully, and the consolation prize went to Edward McGretick.

E. A. G. Manton, president of A.I.U., welcomed the participants and gave a brief outline of the early history of the organization.

NORTH BRITISH HAS OUTING

The Employees' Club of North British group held its annual boat ride and outing June 16 at Bear Mountain Park. Some 600 passengers, comprising employees and their guests took a sail up the Hudson river. Baseball, field sports and other recreations were enjoyed at the park.

U. S. Manager George H. Duxbury, and his chief assistants, W. L. Nolen and J. L. Magenheimer, together with other members of the official staff, were also aboard.

MOTOR

Utah Assn. Protests 10% N.A.U.A. Auto Rate Cut

Utah Assn. of Insurance Agents in a petition to Commissioner Terry has charged that the 10% auto rate reduction filed in Utah by National Automobile Underwriters Assn. is discriminatory.

The petition points out that the reduction for private passenger collision rates where assured carries the basic collision premiums and where there are no operators under 25 years of age was 15% in California and Washington. The association contends that a similar decrease should be allowed in Utah. Commissioner Terry said he could find no reason for the variation and agreed to call a hearing some time in July.

Collision Rate Cut in Ky.

Commissioner Southall of Kentucky has approved a 10% rate reduction for automobile collision for drivers over 25 who do not use their cars for business. Over-all premium reductions in the state of about \$300,000 annually are expected. The change was effective June 19. The filing was made by National Automobile Underwriters Assn. The association agreed to set up statistical codes to accumulate experience on private autos used in business and drivers under 25. Future rates for those classes will be predicated on the experience.

New officers elected by San Diego Insurance Women are: President, Mrs. Gertrude Anderson, Avelson-Fisher Co.; vice-president, Marion McCauley, Pacific Fire Rating Bureau; secretaries, Dorris Rogers, Fellows & Dudley, and Virginia Sumner, Sumner agency; treasurer, Helen Johnson, Home.

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NEWS OF THE COMPANIES

Swiss Re Report Is Given

The annual head-office report of Swiss Reinsurance has now become available in this country. The management states that despite the continued tension in the sphere of international politics, economic recovery in Europe made further progress thanks in no small measure to the constructive and farsighted aid afforded by the Marshall plan, the effects of which were also apparent in insurance. Furthermore, the unsatisfactory experience recorded in past years in certain branches led to an upward revision in rates and to other measures which also helped to promote sounder conditions.

The premium income rose from 536,284,155 Swiss francs to 543,292,939. This was accomplished despite the sharp drop in volume under a number of foreign currencies due to devaluations. This was due largely to the progressive adjustment of sums insured to market values.

Loss ratios in fire insurance notably improved, particularly in the U. S., and the favorable results in marine insurance is chiefly due to the absence of large losses and to a decrease in pilferage claims. The situation in third party liability leaves much to be desired especially as regards automobile third party.

The assets now consist of 1,066,766,766 Swiss francs.

Millers National Examined

A commissioners' examination of Millers National and Illinois Fire for

the period of Jan. 1, 1946, through Dec. 1949, shows that Millers National has a net surplus of \$2,023,170 and assets of \$9,393,415.

The wholly-owned affiliated Illinois Fire had a net surplus of \$853,498 and assets of \$2,894,066.

All of the business of Illinois Fire is automatically reinsured with Millers National, and under another contract Millers National retrocedes 20% of the business to Illinois Fire together with 20% of its own business, net after specific and treaty reinsurance. All the business of the two companies is thus shared on an 80%-20% basis.

Last year Millers National had net premiums of \$5,250,178 and paid losses of \$2,084,868. Its loss ratio on incurred-earned basis was 39.32, and contrasts with a figure of 48.03 in 1948.

Illinois Fire, which has a capital of \$400,000 as a result of an increase of \$150,000 through a stock dividend last year, had net premiums in 1949 of \$1,508,454, and paid losses of \$446,985. The incurred-earned loss ratio was 41.39 compared to 47.61 in 1948.

\$2 Million Insurer Projected in Oregon

Pacific States Fire & Indemnity of Oregon is in process of organization. Permit to sell stock was recently granted by the insurance department. The aim is to raise \$2 million, consisting of \$1 million capital and \$1 million net surplus. John Hall, ex-governor of Oregon, who is located in the Yeon building at Portland, is counsel for the interested group.

Fireman's Fund has declared a quar-



SEVEN MEMBERS OF PENNSYLVANIA INSURANCE DEPARTMENT AT COMMISSIONERS MEETING AT QUEBEC, PICTURE BY HARRY H. FULLER, DEPUTY U. S. MANAGER OF ZURICH:

A. G. Constello, special deputy; Luther H. Williams; John A. Skelton, counsel; Ralph Alexander, deputy; Artemas C. Leslie, commissioner; Oscar A. Kottler, deputy, and Ralph B. Umstead, deputy attorney general.

terly dividend of 65 cents payable July 17 to stock of record June 30.

Mellor, Nelson Advanced

General Reinsurance has appointed Vincent Mellor and Walter Nelson assistant secretaries. Mr. Mellor joined General Reinsurance in 1930 and Mr. Nelson in 1931.

Republic of Dallas is issuing 20,000 shares of \$100 par value preferred stock in a private offering. The issue is non-voting, non-convertible and 4% cumulative. The move increases capital by \$2 million to more than an \$8 million total.

William D. Weinberger, head of the Alpha agency of New York, has been elected a director of Buffalo.

Kansas City F. & M. has declared a semi-annual dividend of 50 cents payable June 30 to stock of record June 23.

Directors of Buffalo have declared the

regular \$3 quarterly dividend. This is the 259th consecutive dividend of Buffalo.

Hold N. E. Mutual Regional

The first 1950 regional meeting of Mutual Insurance Agents Assn. of New England, held at New Haven, attracted 50 agents and field men from Connecticut, Rhode Island and Massachusetts. Geoffrey Christian, executive vice-president Northwestern Mutual of Seattle, Chicago, discussed the all-risks dwelling form which is now being completed by Transportation Rating Bureau.

Grand Ledge Agents Elect

Harry C. Culp has been elected president of Grand Ledge (Mich.) Assn. of Insurance Agents. E. Riley Oles is vice-president, William J. Lourin, secretary.



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Bloomington, Illinois



Western Office: Berkeley, California



North Central Office: St. Paul, Minn.



Michigan Office: Marshall, Michigan



West Central Office: Lincoln, Neb.

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STATE FARM INSURANCE COMPANIES



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EDITORIAL COMMENT

Chicago A. & H. Assn. Educates the Nation

Members of the Chicago A. & H. Assn. had concluded that insurance meetings where insurance speakers sell private insurance and competitive enterprise to their fellows who are already sold are far too frequent. Consequently as the silver anniversary banquet of the association rolled around they obtained as a speaker a man from outside the business, George N. Craig of Brazil, Ind., national commander of the American Legion.

They then set about obtaining as widespread a hearing as possible for Mr. Craig, not just among insurance men, but with the general public. Here they felt the educational job was needed. This insurance group arranged consequently for the talk to be carried by the Mutual Broadcasting system over many of its stations.

Mr. Craig delivered a denunciation of socialized medicine, the welfare state and compulsory health insurance, both from a personal point of view and as an expression of the policy of the organization he heads. His message, directed only at an insurance group, would have been inspirational but it would not have opened many eyes, because his speech dealt with dangers of socialization with which insurance men are thoroughly familiar. The important thing was that such a speech reached non-insurance listeners across the country, many of whom had failed before to appreciate the connection between compulsory health insurance and socialization of the economic life of the nation. This was not an insurance man the audience might suspect of opposing the compulsory insurance coverages because he feared for his individual business life. Here was the head of an organization made up of representatives of every segment of the commercial and social community, tying all of the welfare state into one package and labeling it for what it is, socialism.

The Chicago Association reports the results of its extra effort most gratifying. There have been letters from people in all walks of life and from all sections of the country, who heard the speech and were impressed by it. Men in all walks of insurance life from every section of the country have sent in letters of appreciation to the Chicago As-

sociation praising the sponsors for doing what many other groups have talked about doing, getting the message of private insurance across to the general public.

The Chicago success showed that the public will give a favorable hearing to businessmen. It was particularly well-timed because it followed the main speech of President Truman's cross-country jaunt at Chicago the previous night and a forum on welfare legislation headed by Oscar Ewing, federal security administrator, and other supporters of government compulsory health insurance.

The Chicago innovation demonstrated also that if such a program is more valuable to the insurance business than the average introverted insurance meeting, it also calls for considerably more effort. An immense amount of planning and pleading has to go into arranging such a show. It was back in September that the two men primarily responsible for the program, Irving Wessman, Loyalty Group, chairman of the committee on dinner arrangements, and Harold L. Bredberg, National Service & Appraisal, spent a long afternoon developing their germinal idea for the silver anniversary celebration. They mulled over several men prominent in the national life as speakers and finally settled upon Mr. Craig as best embodying the ideas they wanted to present. Then followed a period of negotiation with Mr. Craig to obtain the busy man for the occasion.

Their next problem was to obtain a wide public hearing for their speaker. With this in mind, the two men toured the radio stations in Chicago and finally did a selling job on the "Chicago Tribune" station, WGN, which agreed to try to arrange a broadcast over the network.

Many hours had to be spent away from their own businesses by this pair and others who had been responsible for the many arrangements for which an affair of this magnitude calls. But the association rightly regards such an effort as worth every expense, every effort. There can be no better way for the insurance groups to contribute to an understanding of competitive enterprise and the dangers to it, than through sponsoring such public education.

occupational disability, companies and agents must proceed aggressively. They cannot successfully underwrite in the field by the negative approach of simply protecting their workmen's compensation business.

Like a little knowledge, a little disability benefits business may be a dangerous thing. It costs money to get and handle premiums. As volume goes up, the ratio of expense to premium total declines and there is a profit. Until then, the account represents a deficit. The company's rates must be justified. A company writing a small volume may not be able to justify a dollar rate that is high compared with what is available in the market while companies writing a large volume can justify considerably lower rates and make money.

As a starter, the protective impulse has brought many companies into a field previously dominated by life-accident, specialty A. & H. and a few casualty companies. But it is doubtful if it will work very long. The company cannot wait for the phone to ring any more than the agent can do so and keep up with the procession.

These remarks are not prompted ex-

clusively by the approaching July 1 deadline in New York state. Presumably, by July 1, all of the New York business that is available will be written somewhere under some kind of plan. Actually, for some time after July 1 there will be shifting around of business. The premiums will tend to be attracted by those insurers that do the best job of underwriting and claim handling.

But next year will be a large one for state legislatures, and several states are expected to consider seriously adoption of non-occupational disability benefits legislation. They may have another chance, and still another as time goes on, but the procession is liable to get too far ahead of those that wait too long. It is estimated that DBL eventually will produce \$100 million of premiums a year in New York state alone. This will be one of the largest, but there are other very large states which eventually may have such laws. Thus, it is possible that this coverage will end up producing a considerably larger volume of premiums than workmen's compensation. That is a lot of premiums. It will pay a lot of expenses. It will require skilful organization and salesmanship.

PERSONAL SIDE OF THE BUSINESS

Wade O. Martin, the newly elected chairman of the executive committee, is the first representative of Louisiana ever to hold office in National Assn. of Insurance Commissioners.

Never before had Louisiana ever been represented on the executive committee. At the Quebec meeting it soon became apparent that Mr. Martin was the man that was wanted for chairman, which normally is the stepping stone to the presidency two years hence. However, he was not at the meeting due to the fact that the Louisiana legislature was in session and he was much interested in several insurance bills. Upon being importuned he flew to Quebec before the week was out and was nominated and elected without contest.

Mr. Martin is an honor graduate of Louisiana State University law school. He served as assistant attorney general five years and engaged in the private practice of law at Baton Rouge four years. Then six years ago he was elected secretary of state and ex-officio insurance commissioner. He was re-elected two years ago. His main interest in running for secretary of state was the insurance aspect of the office and he has put Louisiana on the map from an insurance supervisory standpoint as well as becoming personally popular with his fellow commissioners. In N.A.I.C. he has served on the execu-

tive committee, as chairman of zone three and as chairman of the workmen's compensation committee.

Clinton L. Allen, executive vice-president of Aetna Fire, has been elected a trustee of Society for Savings of Hartford.

John Porter, executive vice-president of the Rainier National, recently was married to Miss Genevieve M. Peabody. The newlyweds are on a trip east, during which they attended the convention of National Assn. of Insurance Commissioners at Quebec.

G. E. Moreau, Chicago manager of the St. Paul group, who has been away from his office for a number of weeks on account of a serious operation, was able to return to work Monday.

James F. Crafts, president of Fireman's Fund, was elected a director of Pacific Gas & Electric Co., replacing Charles M. Page, chairman of Fireman's Fund, who resigned.

R. E. Miller, formerly with Marsh & McLennan at New York, celebrates this month three years in business as owner of his own local agency at St. Petersburg, Fla.

Jesse W. Randall, president of Travelers, received an honorary master of arts degree at the commencement of Trinity College.

Robert H. Lange, engineer with Western Actuarial Bureau, has been admitted to the Illinois bar. Mr. Lange, who graduated from Illinois Tech after obtaining a four-year fire protection engineering scholarship given by the stock fire companies, started with Missouri Inspection Bureau. He was with the army as a lieutenant before joining the



Wade O. Martin

DBL and Expense Ratio

Although passage of the disability benefits law in New York state stimulated many casualty companies to enter this field for the first time, there is

considerable difference of opinion as to how much effort a company should put into writing the business. It is becoming increasingly obvious that to sell non-

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Western Actuarial Bureau in 1946 in an advisory capacity to the fire inspection rating bureaus. He is also an insurance instructor at Illinois Tech. He obtained his legal training at the Chicago Kent Law School.

M. A. Hardy, superintendent of the credit department of the western department of Hartford Fire, has been elected a director of the Chicago Assn. of Credit Men.

DEATHS

A. JOSEPH CAVANAUGH, 36, assistant manager at Pittsburgh for New Amsterdam Casualty, died after a long illness. Mr. Cavanaugh had been with the company since 1936 when he graduated from LaSalle College. Starting at Philadelphia, he was transferred to Detroit and then entered the army. He served in the Italian campaign and was wounded. He took his last job in 1948. He was a director of the Pittsburgh Insurance School.

EMIL P. HUNKEL, 81, for 62 years a local agent at Milwaukee who operated the G. Ph. Hunkel & Son agency, founded by his father in 1876, died after a long illness. He was known as the dean of Milwaukee agents and was the oldest member in point of service of the Milwaukee Board, of which he had been treasurer for eight terms starting in 1909, and later secretary for 16 years. He received the St. Paul F. & M. 50-year service medal in 1935 and was an agent for that company longer than anyone in the entire country.

WALTER ST. JOHN BENEDICT, retired senior partner of Benedict & Benedict brokerage firm, New York City, 89, died in Brooklyn. He had been a broker more than 60 years, and though he retired 20 years ago, still went to his office regularly until recently. At one time he headed a citizens committee which prevailed on the city to install a high pressure water system in Brooklyn, bringing about a reduction in fire rates.

JOHN W. TATLEY, who retired in 1936, after serving 20 years as manager of the Canadian head office of Phoenix of Hartford, died at Toronto in his 96th year. He opened the Canadian head office for Phoenix. He was born in England and started in the Royal office at Montreal of which his father was the manager. He later served with Northern Assurance before going to Phoenix.

ARCHIE HOLMQUIST, 40, local agent at Rice Lake, Wis., was drowned in Esomagi Lake, about 200 miles northwest of Port Arthur, Ont., when his canoe capsized while fishing.

JEROME WALL, adjuster at Ardmore, Okla., was killed when his automobile overturned on a highway near his home town.

A. BROWNING CANFIELD, 67, retired head of the stock transfer department of North America, died at Philadelphia.

WILLIAM H. DAVIDSON, 69, of Lloyd Caldwell Claims Service Corp., died at San Antonio after a long illness.

WILLIAM G. HYNSON, JR., 45, for 15 years with the surety department of Hartford Accident in New York City, where he handled the 3D contracts, died at his home in Bronxville, N. Y.

MISS BESS GRIGGS, 64, for many years assistant to Mrs. Lillian L. Herring, secretary of Insurance Federation of Illinois and Illinois Assn. of Insurance Agents, died of heart failure in bed at her home in Chicago. Miss Griggs had spent all of her working life in insurance, starting with the John A. Camlin agency at Rockford, going to Chicago a few years later and working for a number of the larger agencies there. Miss Griggs had been feeling ill and was absent from work for several days. On the day of her death she had returned to work, but had been forced to go home early because of the extreme heat.

The woman's auxiliary of Tennessee Blue Goose celebrated its 25th anniversary at a luncheon at the home of Mrs. C. F. Zehnder. It was the first organized in the United States. A special program honored two active charter members, Mrs. F. H. Warren and Mrs. Zehnder.

Convention Dates

June 26-30, International Assn. of A. & H. Underwriters, annual, Detroit.

July 6-8, International Assn. of Insurance Counsel, Greenbrier hotel, White Sulphur Springs, W. Va.

Aug. 8-10, Grand Nest of Blue Goose, French Lick Springs, Ind.

Aug. 14-16, International Federation of Commercial Travelers Insurance Organizations, Lake Louise, Alberta, Can.

Aug. 24-25, Minnesota Agents, annual, Hotel Nicolet, Minneapolis.

Sept. 6-8, C.P.C.U., annual, Cleveland.

Sept. 8-9, Maine agents, annual, Range-Sheraton hotel, Rangeley.

Sept. 10-12, Montana Agents, annual, Billings.

Sept. 10-12, Pennsylvania Agents, annual, Bedford Springs Hotel, Bedford.

Sept. 14-16, Washington Agents, annual, Spokane.

Sept. 14-16, Federation of Insurance Counsel, annual meeting, Atlantic City.

Sept. 18-20, International Claim Assn., Greenbrier hotel, White Sulphur Springs.

Sept. 18-20, American Bar Assn., insurance section, Willard hotel, Washington, D. C.

Sept. 20-22, Oregon Agents, annual, Portland.

Sept. 22-23, Utah agents, annual, Hotel Utah, Salt Lake City.

Sept. 24-27, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, joint meeting, Greenbrier, White Sulphur Springs, W. Va.

Sept. 25-26, Michigan Agents, annual, Pantlind hotel, Grand Rapids.

Sept. 25-26, New Jersey agents, annual, Hotel Claridge, Atlantic City.

Sept. 25-27, Bureau of A. & H. Underwriters, annual, Sky Top Manor, Poconos, Stroudsburg, Pa.

Sept. 25-27, Idaho Agents, annual, Sun Valley.

Sept. 25-26, New Jersey agents, annual, Hotel Claridge, Atlantic City.

Oct. 2-5, National Assn. of Insurance Agents, annual, Stevens Hotel, Chicago.

Oct. 4-10, Hemispheric Insurance Conference, Santiago, Chile.

Oct. 12-13, South Carolina agents, annual, Columbia Hotel, Columbia.

Oct. 16-18, National Assn. of Mutual Insurance Agents, annual, Hotel Statler, N. Y.

Oct. 12-13, South Carolina agents, annual, Columbia Hotel, Columbia.

Oct. 16, Rhode Island Assn. of Insurance Agents, annual, Sheraton-Biltmore Hotel, Oct. 16.

Oct. 22-24, Arizona agents, annual, Westward Ho Hotel, Phoenix.

Oct. 22-25, California Agents, annual, Fairmont and Mark Hopkins hotels, San Francisco.

Oct. 24-25, Massachusetts Agents, annual, Springfield.

Oct. 24-26, Wisconsin Agents, annual, Hotel Schroeder, Milwaukee.

Oct. 25-27, Kansas Agents, annual, Wichita.

Oct. 26-27, Tennessee agents, annual, Hotel Peabody, Memphis.

Oct. 30-Nov. 3, National Assn. of Mutual Insurance Companies, annual, Boston.

Nov. 13-14, Illinois agents, annual, LeLand hotel, Springfield.

Nov. 13-15, Indiana Assn. of Insurance Agents, annual, Claypool hotel, Indianapolis.

Nov. 13-15, Kentucky Agents, annual, Kentucky hotel, Louisville.

Nov. 15-16, Connecticut Agents, annual, Hotel Bond, Hartford.

Nov. 27-28, Missouri agents, annual, Elms Hotel, Excelsior Springs.

Dec. 10-15, National Association of Insurance Commissioners, midyear, Biltmore Hotel, Los Angeles.

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THE NATIONAL UNDERWRITER

Circulation Department
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Corson Honored



The Mid-West Territorial Conference of National Assn. of Insurance Agents honored H. H. Corson of Davis, Corson & Bradford, retiring chairman of the conference, at a luncheon at Nashville. A silver cream and sugar and engraved tray was presented to him by C. M. Hunt, Nashville, in behalf of the officers and friends who served with him. Observing the presentation is Walter Greenspan, Chattanooga, president of Tennessee Assn. of Insurance Agents. Among others at the luncheon were Charles Houston and Currey Sanders, Tennessee deputy commissioners; George L. Goss, executive secretary of the Tennessee association; members of the Nashville Insurance Exchange and employees of Davis, Corson & Bradford.

Postpone N. C. Hearing on Installment Plan

RALEIGH, N. C.—Postponement of the public hearing on the five-year installment premium payment plan for fire policies to July 19 has been announced by Commissioner Cheek.

The hearing, a resumption of a three-day hearing held in March, had been set for July 12. However, W. T. Joyner of Raleigh, counsel for the North Carolina Fire Insurance Rating Board which has filed suggested revisions to the plan, indicated he would be busy in court on another case during that week. Hence the postponement.

Add McLain, Christensen

Two new directors were added by the Insurance Society of New York at the annual meeting, James A. McLain, president of Guardian Life, and Frank A. Christensen, president of America Fore. Mr. McLain also was elected a vice-president. Richard V. Goodwin, vice-president Fireman's Fund Indemnity, was reelected president.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago

| June 19th | | | |
|-----------------------|-------|---------|--------|
| | Div. | Bid | Asked |
| Aetna Casualty | 3.00 | 98 | 102 |
| Aetna Fire | 2.20 | 61 | 62 1/2 |
| Aetna Life | 2.50 | 59 1/2 | 61 |
| American Alliance | 1.20 | 25 1/4 | 26 1/4 |
| American Auto | 2.00 | 47 | 50 |
| American Casualty | .80 | 17 1/2 | 18 3/4 |
| American (N. J.) | .90 | 21 1/2 | 22 1/2 |
| American Surety | 3.00 | 61 | 63 |
| Boston | 2.40 | 59 | 61 |
| Camden Fire | 1.15 | 22 1/2 | 23 1/2 |
| Continental Casualty | 2.50 | 74 1/2 | 76 |
| Fire Association | 2.60 | 65 | 67 |
| Fireman's Fund | 2.60 | 88 | 90 |
| Firemen's (N. J.) | .60 | 21 1/2 | 22 1/2 |
| Glens Falls | 2.00 | 50 1/2 | 52 1/2 |
| Globe & Republic | .50 | 13 | 14 |
| Great American Fire | 1.30 | 30 | 32 |
| Hanover Fire | 1.60 | 34 | 35 1/2 |
| Hartford Fire | 2.50 | 119 | 122 |
| Home (N. Y.) | 1.60 | 37 1/2 | 38 1/2 |
| Ins. Co. of North Am. | 2.50 | 110 1/2 | 112 |
| Maryland Casualty | .80 | 20 1/4 | 21 1/4 |
| Mass. Bonding | 1.60 | 29 1/2 | 31 |
| National Casualty | 1.50 | 33 | 35 |
| National Fire | 2.50 | 64 | 66 |
| New Hampshire | 2.00 | 44 | 46 |
| New Amsterdam Cas. | 1.20 | 37 1/2 | 39 |
| North River | 1.20 | 25 1/2 | 27 |
| Ohio Casualty | 1.20 | 60 | 62 |
| Phoenix, Conn. | 3.00 | 77 1/2 | 79 1/2 |
| Preferred Accident | 1.40 | 35 | 36 1/2 |
| Prov. Wash. | 2.60 | 100 | 102 |
| St. Paul F. & M. | 1.60 | 34 | 35 1/2 |
| Security, Conn. | 2.00 | 44 1/2 | 46 |
| Springfield F. & M. | 1.60 | 35 | 36 1/2 |
| Standard Accident | 1.20 | 47 1/2 | 48 |
| Travelers | 12.00 | 473 | 480 |
| U. S. F. & G. | 2.40 | 51 1/2 | 53 1/2 |
| U. S. Fire | 2.00 | 66 1/2 | 68 |

*Includes extras.

Hanover Elects Investment V.-P., Insanger Retires

Hanover has elected Robert J. Larner vice-president in charge of the investment department. He succeeds Adolph O. Insanger, who has retired because of impaired health.

Mr. Larner has been temporarily in charge of investments for six months. He has been in the investment field for more than 20 years. Mr. Insanger had been with Hanover for 20 years as head of the investment department.

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Commissioners Give Go Ahead Signal on Classification Plan

Delineation of Covers in Omnibus Underwriting Is Provided For

National Assn. of Insurance Commissioners at Quebec gave final approval to the industry program for an advisory committee having power to recommend to N.A.I.C. and to individual commissioners definitions and classifications respecting fire, casualty, marine, inland marine insurance and combinations thereof. Approval in principle was given to the proposal last December and at Quebec the question was ready for final action after J. Victor Herd of America Fore, as chairman of the industry committee, made the presentation to the committee, that session having been reported in last week's edition. There is to be set up an industry committee consisting of five fire, five casualty and five marine men, and their contact with N.A.I.C. will be through its committee on definition and interpretation of underwriting powers.

Presumably when and if the new program is in effective operation the old marine definition will be discarded.

The N.A.I.C. committee report, which was adopted by the association, states that the plan represents a forward step in a voluntary program of industry to assist in an orderly transition to the exercise of full multiple line powers. It offers a voluntary basis for achieving reasonable uniformity in reporting for tax, statistical, reserve and other purposes.

Recommendations of the industry committee are advisory and in no way limit the powers of individual commissioners and their codes.

The committee expressed satisfaction that the plan, properly administered, will aid and not retard the development of multiple line underwriting and the use of all-peril and combination policies.

Colonial to Hike Capital

Colonial of Los Angeles has filed application for a permit to issue and sell stock in order to increase its capital to meet admission requirements of states it desires to enter.

The application is for 5,000 shares at a par value of \$10 to be sold to present stockholders at \$10. This will net the company \$50,000, thereby increasing capital to \$200,000. There will be no public offer of shares. The company is admitted to California, Nevada, Arizona and the Panama Canal Zone and seeks to enter Oregon and Washington.

L.I.R.R. Had Lloyds Cover

NEW YORK—Local newspapers have indicated that London Lloyds had a \$10,000,000 blanket disaster policy on the bankrupt Long Island Railroad at the time of the Rockville Centre wreck in which more than 30 people were killed in February. Two suits by widows have been settled, one for \$56,250 and another for \$40,000 with the approval of the Suffolk county surrogate. Presumably this followed the pattern established by the Pennsylvania Railroad, the Long Island's former owner, under which Long Island had catastrophe cover over a deductible, said to be \$250,000.

House Report Lauds Fidelity Bond Principle

WASHINGTON—The present government personnel bonding system is "outmoded" says the House expenditures committee, reporting the Karsten bill providing for government payment of premiums on commercial surety bonds.

In "emergency circumstances," if delay incident to advertising for bonds on which the premium exceeds \$500 is not practicable, the committee presumes temporary coverage will be obtained until the advertising requirement can be met.

In procuring any bond, the committee says, consideration shall be given to the need of an adequate bond, the most economical type (blanket, position, schedule, or other), considering the number of employees to be covered in a government agency, adequate but not excessive coverage and, as to penal sums, period of coverage of preexisting bonds, which should be permitted to run to end of periods covered.

Estimated Cost \$750,000

The committee estimates premiums on bonds during the first two years of the proposed program will not cost government more than \$750,000 annually, from which it thinks should be deducted \$225,000 annual recoveries, making net cost \$525,000 annually.

Besides insurance against fraud, negligence, etc., the report says, the government will receive "tremendous benefits of deterrence" against mishandling of government properties "which naturally flows from coverage by commercial bonds, coupled to the advantage of dealing with the bonding companies as purchasers of surety bonds, rather than as mere beneficiaries thereunder, as is the case under the present system."

Referring particularly to the Post Office department, the committee suggests government agencies study bonding procedures and examine rules and regulations, with a view to modifying them to meet genuine and essential needs, while assuring adequate guaranty for protection in event of loss. Where it is found need for existing bonding laws no longer exists, the committee suggests the matter should be called to Congress' attention.

Premiums paid by bonded government personnel last year, the report says, totaled \$1,685,779, while recoveries from surety companies were \$207,303. The present system is denounced as "archaic and complex."

Surety companies found 1,103,000 individual bonds could be reduced to 20,628 by use of blanket or position schedule bonds with the same amount of coverage, and \$1,035,000 bonds for post-office personnel could be reduced to 2,059.

The companies estimated maximum

premium cost for new type bonds would be \$954,000 annually, with reduction of from 5 to 6 2/3% if two-year or longer bonds were purchased. Furthermore, competition in bidding would reduce costs still further.

Concluding, the committee says the new plan is in line with "sound business practices of private industry, and state and local governments. And is a 'marked and progressive step which will immeasurably improve and simplify' present procedures.

The committee recommends congress continue its study of governmental bonding practices.

The report quotes endorsements of the bill by the budget bureau and comptroller general.

The bill is on the House calendar. Senator Hoei, chairman of the upper house committee dealing with the subject, reportedly does not plan hearings on the bill, if it passes the House, unless requested. He held hearings early in consideration of the subject.

White Sulphur Committees

Committee chairmen have been appointed for the annual joint convention of International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents at White Sulphur Springs, W. Va., Sept. 24-27. Ralph H. Platts, Standard Accident, and Holton R. Price, Jr., St. Louis, presidents of the company and agency group respectively, are co-chairmen of the convention committee. C. B. McCormac, Aetna Casualty, and Charles H. Burras, Chicago, reception and entertainment; Clark Smith, Royal-Liverpool and F. A. Roloson, Baltimore, registration; T. A. Engstrom, Philadelphia, and T. W. Earls, Cincinnati, golf; T. A. Long, United National Indemnity, and R. A. Bolton, Alexandria, La., horse-shoes; Mrs. H. P. Dunham, New York, and Mrs. George W. Blossom, Jr., Chicago, women's bridge; J. Dewey Dorsett, general manager of the company association, transportation, and H. K. Philips of the association, and George W. Blossom, Jr., press.

Canadians Great Hosts at N.A.I.C. Annual Parley

Quebec Convention Is Unsurpassed in Physical Accommodations

The Canadian insurance people provided unsurpassed hospitality, physical accommodations, convention services and good fellowship for the annual gathering of National Assn. of Insurance Commissioners at Quebec. The quality of the planning and the organization of detail was manifest at every stage and the group expressed the highest appreciation and praise to the Canadian contingent headed by A. A. Tousaw of Sun Life of Montreal, and to the honorary chairman, Georges LaFrance, Quebec superintendent.

The Canadians actually had been setting the stage for this convention since 1947 when David Forbes of Michigan was elected chairman of the executive committee. That meant that he was to

NEW OFFICERS ELECTED

President—W. Ellery Allyn, Connecticut. Vice-president—Frank Sullivan, Kansas. Chairman of executive committee—Wade O. Martin, Louisiana.

Secretary—George Bowles, Virginia. Executive committee—(members at large)—Armand Harris, Minnesota; Donald Knowlton, New Hampshire; Bernard Stone, Nebraska. (Zone members) 1. David B. Soule, Maine; 2. Pat Murphy, South Carolina; 3. C. Lawrence Leggett, Missouri; 4. Sterling Alexander, Iowa; 5. George Butler, Texas; 6. W. K. Downey, California.

preside as president of N.A.I.C. in 1950. Most of the Canadian life companies have their U. S. port of entry in Michigan and they desired to compliment Mr. Forbes and their home state in this country by entertaining the convention on Canadian soil.

This obviously affected Mr. Forbes deeply and the talk that he made during the banquet following the main address by Maurice Duplessis, prime minister of Quebec, was regarded as the outstanding public address of his career.

At the close of the convention Friday, the Hartford companies gave a cocktail party for W. Ellery Allyn, the Connecticut commissioner and the new president of N.A.I.C. Then the next morning about 265 of the convention group set off on a two-day cruise on the St. Lawrence and Saguenay rivers that will long be remembered. The ship ran into fog and gale and frigid northern weather during the first part of the trip but this served only to add a dash of adventure.

Mr. Allyn proved himself to be a commanding presiding officer and he starts off with the solid support of his fellow commissioners and the respect of the industry.

Sentiment early in the week clearly indicated that Wade Martin of Louisiana was wanted for chairman of the executive committee and, upon being importuned, he flew to Quebec from Louisiana where he was engaged in legislative affairs and was unanimously elected. Frank Sullivan of Kansas went up to vice-president and George Bowles of Virginia remains as secretary.

A decision was not made at Quebec (CONTINUED ON PAGE 32)



Casualty-surety people at N.A.I.C. convention—J. M. McFall, U.S.F.&G.; Mrs. Stuart Galloway, and Mr. Galloway of Fidelity & Deposit, and E. C. Anderson of Surety Assn. of America.

N.A.I.C. Acts on Problem of United Benefit

Approval was given by National Assn. of Insurance Commissioners at Quebec to a plan for Mutual Benefit Health & Accident to acquire the stock of United Benefit Life. The report upon which the action was based was given by Stone of Nebraska as chairman of a committee that was named to review this plan. The other members are Dineen of New York and Sullivan of Kansas.

This action springs from the convention examination covering the years 1943-1945 in connection with which majority and minority reports were submitted by examiners. There were criticisms advanced of administrative procedure and comment was made on the conflict of interest due to the common interest of a stock and a mutual company writing competing lines of business. Each company elected a new board of directors without any officer being a member. The N.A.I.C. subcommittee favored the plan for acquisition of the stock of the individual shareholders of United Benefit by Mutual Benefit. The value of the stock was appraised and there was wide difference in the figures of the experts, but a figure of \$235 a share was agreed upon. Among the advisers were A. M. Best; Raymond Smith of Chicago, vice-president of A. M. Best Co., and Wendell Milliman, consulting actuary of Seattle. Out of 100,000 shares, the owners of 98,311 have agreed to sell at the price of \$235.

The book value of United Benefit is about 11½ million. That is the value at which it must be carried by Mutual Benefit. That will reduce the surplus of Mutual Benefit by about \$12 million, but Mr. Stone expressed confidence that the book value of United Benefit will increase consistently.

The stock of United Benefit was brought out originally at \$30 per share, but later purchasers paid considerably more than that.

It was not revealed what value was assigned to the life business in arriving at the valuation. If the A. & H. business of United Benefit were entirely disregarded, the price of \$235 per share would involve a valuation of about \$15 per thousand on the life business.

In connection with the problem, a thoroughgoing study of the Mutual Benefit-United Benefit operation was conducted by Arthur Andersen & Co., the accounting firm, and the cost to the company for this was \$187,000.

N. Y. Auto Accidents Make Officials Pessimistic

The report of the bureau of motor vehicles of New York on March experience is quite pessimistic. In that month, despite efforts of police, school and safety authorities, personal injury accidents increased 1,583 and property damage accidents 5,467 over March, 1949.

"Personal responsibility in accident prevention seems lacking, and unless the individual effort of New York state's five million licensed drivers can be obtained, little hope is held that this situation can be improved," the bureau states in its report.

Personal injury accidents totalled 7,747, increase 26%. P.D. accidents totalled 18,241, increase 43%. Property damage in both types of accidents was \$5,778,614, increase 50%.

Head on collision in fatal accidents occurred over three times more frequently than those in the next highest class. Excessive speed was found in 56% of the fatal and 37% of non-fatal accidents.

For the first three months, the number of accidents increased 19% over the first three months of 1949 and 42% over 1941; deaths increased slightly, and injuries increased 24% over 1949 and 50% over 1941.

PA. STATE COLLEGE

Conference Provides Agent With Ideas and Philosophy

A fine program was presented at the insurance educational conference of Pennsylvania State College, and attendance exceeded expectations. The conference was sponsored by the college and by agents, field men and company groups throughout the state.

Three factors may influence statutory disability, which were not present, or were not present in the same degree, when workmen's compensation insurance was initiated, E. H. Marshall, superintendent special risks division, A. & H. department, North America companies said.

There is a changed political atmosphere, one in which the word is, "Let the government do it." Workmen's compensation is totally paid by the employer, whereas disability is partially paid by the employee, who may not be as aware of the advantages of private enterprise over government welfare. Third, many unions have favored state monopoly in the statutory disability field and are exerting constant pressure in that direction.

Harder Task Ahead

For these reasons, it is going to be more difficult for private insurance to secure and to maintain for its type of operation as favorable a percentage of statutory disability as workmen's compensation. Seven states have monopolistic w.c. funds, 11 competitive state funds, and 30 are served entirely by private insurance. The business would like as good a distribution on disability as on w.c., he said.

However, Americans are living today in a welfare state. It can be operated under private enterprise as has been largely the case in the United States, or under socialism, as in England. If private enterprise is going to operate statutory disability, the private insurance business must do the job. Disability, Mr. Marshall regards as the No. 1 spoke in the wheel, and it is a very important one.

What Private Insurance Does

The five states of New York, Pennsylvania, Massachusetts, Illinois and Ohio employ about 44% of persons engaged in manufacturing in the United States, he said. In New York the fatality rate per 100,000 workers has dropped 50% since 1924. Since 1917, in Massachusetts the fatality rate has dropped 69%, in Pennsylvania 78%, in Illinois 60%. But in Ohio the decrease has been only 30%. In Ohio there is a monopolistic state fund; in the other four states private casualty insurers have done the job. This is one of the results of free competition of private business, he declared.

How does statutory disability affect group A. & H.? So far it has only affected accident and sickness (weekly indemnity). But recently in California it was extended to provide a limited portion of hospital expense (employee). It could conceivably hit other six group A. & H. coverages—accidental death and dismemberment, surgical operation expense (employee), medical expense (employee), hospital expense (dependent), surgical operation expense (dependent), and medical expense (dependent).

Defending Big Chunk of Business

Thus private insurance here, at the statutory disability line, is defending a vast segment of the insurance business. To the extent it is taken over by statutory disability, the business wants private insurance used as the instrument.

Casualty companies have been stimulated to enter the statutory disability field because they realize the cause of private insurance belongs not alone to those companies that previously have operated in the A. & H. field but to the entire insurance business. They feel the

necessity of bringing the vast agency system of the casualty business into play, especially since the casualty agency system has been traditionally active in servicing small risks. The life companies, prior to statutory disability, were required by law to limit their activities to 25 or more persons. Additionally, casualty companies active in writing w.c. see the relationship between statutory disability and that line. Frankly, they do not believe statutory disability is a potential source of appreciable profits, but they do feel strongly the entire business should make common cause to keep it within the precincts of private enterprise.

Mr. Marshall discussed in some detail special risks A. & H. coverage, aviation accident and travel A. & H. as well as the many special hazards of highly paid technical and scientific personnel, for whom their employers feel a responsibility that goes far beyond w.c. North America companies comprise one of the largest operators in this field.

USE OF EXCLUSIONS

The purpose of exclusions in a policy is to make the coverage measurable, William Leslie, Jr., superintendent special risks department of Royal-Liverpool, said. The general liability policy excludes automobile and workmen's compensation. The exclusions serve in general to "size" the insurance into parcels so that the buyer can select what he needs, and insurer can tell what each package is worth. This makes rate-making practicable.

There are more things in the policy that delimit it than simply exclusions; conditions, for example. The insuring clause phrase "caused by accident" in itself excludes losses not caused by accident. There are of course classifications which further delimit the policy and exclude such items as xcu—explosion, collapse and underground. For example, insured may be blasting in shelf of rock, and some properties are certain to be damaged. The proper procedure here is for the contractor to put in his price the cost of such property damage and remove persons in order to avoid probable injuries. This is not an insurable situation. The risk here is certain, not fortuitous. Another example is the requirement that the automobile and its trailer be insured in the same company. Otherwise, there would be arguments about losses and an uninsurable situation would be created.

How Agent Can Use Them

What is the agent to do about exclusions? In the first place, knowing what is not covered provides a tickler for the agent to sell additional coverages. This may be by endorsement, or he may find insured is better served by the purchase of other policies, or, if it is not an uninsurable situation, the agent can explain why it would not be businesslike for insurer to write it or insured to purchase it.

The agent should not feel apologetic about exclusions, Mr. Leslie pointed out. They result from a vast amount of insurance experience. The agent can approach exclusions negatively, but he has no cause to do so. If exclusions mark the limit to which insurer will go, they also indicate the amount of territory the policy covers. They provide a method of making that area definite and certain.

Timing is important. The agent must tell insured the meaning of exclusions at the time of sale. When a loss occurs, it is too late. Then the agent can point out that the exclusion was in the policy all the time and available for insured to

(CONTINUED ON PAGE 35)

Mass. Monopolistic State Fund DBL Believed Defeated

Some definite indication of the outcome of disability benefits bills in Massachusetts was expected after hearings and voting scheduled to take place in the legislature Wednesday afternoon this week. The state fund monopoly bill appears to be defeated for this session, which is expected to end early in July though there is no statutory time limit.

Several other bills were in various stages of passage or scheduled for introduction, with the outcome in doubt. The employee elective type bill was apparently not going to pass. Three other possibilities included an all-private type bill, a New York and a California type law. There are supporters for all types. Insurance sentiment was split among those who thought some bill this year desirable and those who want to wait until the next session.

New Book Studies the Role of Government Insurance

The extent to which government sponsored insurance programs have encroached on private enterprise is disclosed in a new book, "Government Insurance in the United States," published by Assn. of Casualty & Surety Companies. Many of the government insurance programs are generally unknown, except to the relatively few people directly affected by them, while others compete directly with private insurance companies.

The new study is the first complete compilation of factual information on the operation and administration of federal and state insurance. It was prepared under the direction of Frank Lang, manager of the research department, and required more than a year of original research.

The first part covers such federal insurance systems as workmen's compensation, retirement and disability insurance for federal employees, federal deposit insurance, mortgage and home loan insurance, old age and survivors insurance, crop insurance, railroad retirement and unemployment insurance, U. S. government and National Service life insurance. The second part is devoted to state insurance and includes chapters on public property insurance, bank and public deposit guaranty funds, public official bonding funds, retirement programs, Torrens title insurance, hail insurance, life insurance, workmen's compensation, second injury and security funds and cash sickness disability.

The study includes the latest operating and financial statistics for each fund. The number of people covered, the amount of benefits or claims paid, and income, expenditures and assets are given for each program.

Copies may be obtained for \$2 from Assn. of Casualty & Surety Companies, 60 John street, New York.

Agents of State Auto Meet

COLUMBUS, O.—State Automobile Mutual held the semi-annual meeting of its sales force here this week. Representatives from Ohio, Kentucky, Maryland, Tennessee, Michigan and West Virginia were in attendance. W. S. Bird, sales manager, and Robert Kaufman, underwriting manager, were in charge.

Meetings also were held at Minneapolis and Moorhead, Minn., with Harold J. Dubois, Minnesota supervisor, and Sig Bjornson, North Dakota supervisor, in charge.

An analysis of the personal property floater and changes which might improve it were discussed by Rees Roston and John Adair at a meeting of the Pacific C.P.C.U. Chapter at Los Angeles.

CASUALTY NET PREMIUMS AND PAID LOSSES IN 1949 IN OHIO

| | Total Premiums and Losses | Auto. Liab. Premiums and Losses | Other Liab. Premiums and Losses | Auto. P. D. Premiums and Losses | Fidel. Premiums and Losses | Surety Premiums and Losses | Plate Glass Premiums and Losses | Burg. Theft Premiums and Losses | Other P. D. Premiums and Losses |
|------------------|------------------------------------|---|---|--|-------------------------------------|-------------------------------------|---|---|--|
| Acc. & Cas. | 214,427 | 82,809 | 49,800 | 58,567 | 1,134 | 2,574 | 1,445 | 9,576 | 4,268 |
| Aetna Cas. | 2,882,835 | 1,348,217 | 793,956 | 176,211 | 110,416 | 212,920 | 47,279 | 185,784 | 1,182 |
| Allstate | 1,113,012 | 426,171 | 258,605 | 530,459 | 25,255 | 2,289 | 18,246 | 49,712 | |
| Am. Auto. | 2,281,582 | 1,100,516 | 237,198 | 774,923 | 5,810 | 3,853 | 18,729 | 70,709 | 69,831 |
| Am. Cas. | 1,055,148 | 518,958 | 80,637 | 279,301 | 6,470 | 43,034 | 17,909 | 26,775 | 12,098 |
| Am. Empl. | 457,405 | 168,300 | 68,794 | 120,137 | 17,509 | 18,933 | 11,282 | 31,187 | 11,652 |
| Am. Fid. & Cas. | 1,472,216 | 395,008 | 10,007 | 48,009 | 3,426 | 526 | 4,614 | 4,472 | 964 |
| Am. Guar. | 143,003 | 45,471 | 18,654 | 30,952 | 9,160 | 3,909 | 15,011 | 744 | |
| Am. Indem. | 183,203 | 47,856 | 21,551 | 63,409 | 32 | 275 | 19,558 | 11,790 | 4,708 |
| Am. Motorists | 437,905 | 159,216 | 50,462 | 205,132 | 11,550 | 666 | 432 | 1,094 | 275 |
| Am. Mut. Liab. | 245,286 | 93,917 | 72,449 | 62,370 | 7,124 | 930 | 1,285 | 18,742 | 11,124 |
| Am. Pledgers | 2,117 | 247 | 1,679 | 192 | 2,199 | | 1 | 2,357 | 2,342 |
| Am. Reins. | 473,023 | 160,147 | 30,201 | 25,400 | 65,263 | 117,405 | 358 | 58,379 | 9,653 |
| Am. States | 2,387,543 | 719,432 | 100,480 | 1,193,622 | 527 | 3,910 | 17,071 | 36,481 | 27,539 |
| Am. Surety | 1,254,843 | 304,793 | 119,756 | 214,331 | 167,637 | 153,309 | 17,038 | 63,926 | 31,294 |
| Anchor Cas. | 1,236 | 183 | 278 | 402 | | | | 47 | 219 |
| Arex Indem. | 14,257 | 2,454 | 2,584 | | | | 394 | 1,099 | 284 |
| Assoc. Ind. | 82,277 | 357 | 69,420 | 185 | | | 3 | 11 | 11,983 |
| Atlantic | 97,191 | 46,913 | | 44,881 | | | 378 | | 4,290 |
| Auto. Club, O. | 261,248 | 63,523 | 150 | 164,449 | | | | | |
| Auto-Own., Mich. | 1,150,547 | 359,475 | 40,150 | 554,093 | | | 16,691 | 29,005 | 22,630 |
| Bankers Ind. | 1,742,826 | 669,233 | 335,237 | 432,500 | 3,987 | | 47,995 | 123,531 | 88,181 |
| Beacon Mut. | 1,365,926 | 282,650 | 21,859 | 679,937 | | | 4,313 | | 5,969 |
| Buckeye Un. | 8,126,350 | 1,956,425 | 582,887 | 3,798,789 | 29,799 | 40,054 | 109,787 | 211,840 | 149,508 |
| Cellina Mut. | 2,361,298 | 570,550 | 44,985 | 1,300,703 | | | 18,743 | 11,062 | 6,645 |
| Cent. Natl. | 142,991 | 32 | | 108,215 | | | 7,018 | 2,864 | 1,624 |
| Cent. Sur. | 283,514 | 221,287 | 1,318 | 37,706 | 11,157 | 12,053 | 2,062 | 2,076 | —005 |
| Century Ind. | 277,959 | 84,350 | 45,278 | 57,594 | 8,880 | 35,913 | 10,570 | 22,914 | 10,412 |
| Citizens Cas. | 78,769 | 43,592 | 10,675 | 24,233 | | | 4,886 | 7,534 | 269 |
| Columbia Cas. | 216,179 | 77,311 | 31,000 | 51,644 | 6,820 | 10,249 | 4,553 | 9,584 | 3,920 |
| Commer. Cas. | 875,568 | 256,607 | 96,361 | 172,241 | 4,790 | 9,047 | 12,805 | 25,118 | 11,632 |
| Conn. Indem. | 161,979 | 72,136 | 16,240 | 59,272 | | | 5,102 | 6,519 | 2,709 |
| Cont. Cas. | 3,689,571 | 587,713 | 355,171 | 380,479 | 41,365 | 106,901 | 24,144 | 103,154 | 73,307 |
| Dearborn Natl. | 203,520 | 83,212 | 6,826 | 93,770 | | | 4,056 | 6,451 | 5,127 |
| Eagle Indem. | 137,270 | 35,159 | 1,246 | 89,257 | | | 2,137 | 3,829 | 115 |
| Elec. Mut. Liab. | 45,539 | 28,171 | 3,146 | 7,026 | | | 182 | 1,991 | 4,051 |
| Emmco Cas. | 126,676 | 51,717 | 637 | 59,586 | | | 1,019 | 2,262 | 259 |
| Empl., Ala. | 6,554 | | —41 | 3,982 | | | 34 | | 42 |
| Empl. Liab. | 958,410 | 278,174 | 250,205 | 232,166 | 15,993 | 11,827 | 17,723 | 60,917 | 60,506 |
| Empl. Mut. Cas. | 319,807 | 87,811 | 73,069 | 90,681 | 3,263 | | 6,666 | 18,762 | 23,418 |
| Empl. Mu. Liab. | 130,171 | 31,602 | 30,365 | 35,017 | 5,331 | | 1,678 | 6,831 | 16,277 |
| Empl. Reins. | 817,293 | 374,777 | 41,565 | 65,686 | 74,279 | 116,762 | 1,021 | 45,007 | 20,811 |
| Equity Mut. | 313,474 | 195,328 | 7,066 | 15,588 | 27,823 | 21,213 | | 4,535 | 8,399 |
| Eureka Cas. | 34,606 | 17,547 | 910 | 15,830 | | | 477 | 1,622 | 220 |
| Europ. Gen. Re. | 664,075 | 158,092 | 47,934 | 24,121 | 96,000 | 147,137 | 61,824 | 18,105 | 1,060 |
| Excess | 87,194 | 54,926 | 4,889 | 7,994 | 29,884 | —289 | 7,948 | 624 | 174 |
| Fact. Mut. Liab. | 291,514 | 97,719 | 2,433 | 185,526 | | | —4,887 | 12,455 | 5,837 |
| Fm. Bu. M. A. | 16,206,691 | 4,591,985 | 302,950 | 6,605,247 | 2,789 | | 79,609 | 107,192 | 35,339 |
| | 7,174,831 | 1,823,368 | 162,310 | 4,325,566 | 106 | | 24,586 | 55,339 | |

"Republic Policies Don't Cost — They Pay"

An Ohio Stock Company For Ohio Agents
Featuring Unusual Special Coverage Contracts
That Make More Commission Dollars For Agents

● DESIRABLE OHIO TERRITORY OPEN FOR RESPONSIBLE AGENTS ●

THE REPUBLIC INDEMNITY COMPANY

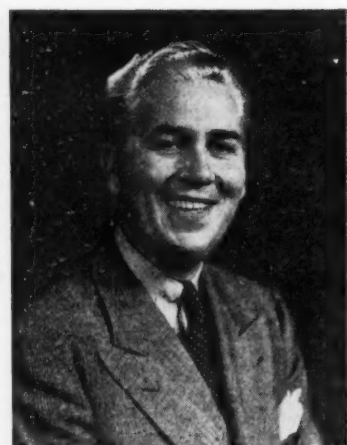
HOME OFFICE — COLUMBUS, OHIO

FULL COVERAGE AUTOMOBILE — BURGLARY — ROBBERY — GLASS — GENERAL LIABILITY

| | Total Prelim. and Losses | Auto. Liab. Prelim. and Losses | Other Liab. Prelim. and Losses | Auto. P. D. & Coll. Prelim. and Losses | Fidel. Prelim. and Losses | Surety Prelim. and Losses | Plate Glass Prelim. and Losses | Burg. Theft Prelim. and Losses | Other P. D. & Coll. Prelim. and Losses |
|------------------|-----------------------------------|--|--|--|------------------------------------|------------------------------------|--|--|--|
| O. Valley Auto. | 198,702 | 19,371 | 145,384 | 33,194 | 596 | | | | |
| Pacific Empl. | 42,852 | 3,635 | 31,607 | | | | | | |
| Peerless Cas. | 121,972 | 54,675 | 3,345 | 51,456 | 293 | 3 | 1,023 | 4,739 | 1,086 |
| Pa. Mfrs. Assn. | 35,230 | 17,262 | 150 | 15,682 | | | 201 | 1,158 | |
| Repub. Ind., O. | 445,473 | 156,357 | 69,333 | 144,146 | 4,940 | 46,007 | 411 | 2,098 | |
| Progressive | 116,768 | 42,139 | 114 | 69,394 | 2,267 | —2,424 | | 40 | 31 |
| Preferred, Mich. | 23,919 | 10,384 | | 13,635 | | | | | |
| Preferred Acc. | 2,267 | 325 | 1,942 | | | | | | |
| Pioneer Mut. | 658,663 | 171,362 | 11,030 | 380,492 | | | | 2,407 | 4,687 |
| Phoenix Ind. | 277,708 | 81,995 | 83 | 168,245 | | | | | 550 |
| Pa. Tresh. & Fm. | 193,705 | 285 | 695,467 | 3,279 | 8,754 | | | | |
| Royal Ind. | 435,944 | 42,660 | | 328,892 | | | | | |
| Secured Cas. | 270,147 | 55,309 | | 117,526 | | | | | |
| Shawnee Mut. | 89,654 | 28,563 | | 40,644 | | | | | |
| Shelby Mut. | 190,836 | 67,683 | 17,337 | 52,301 | 260 | 2,039 | 6,554 | 11,970 | 2,767 |
| Standard Acc. | 64,164 | 28,312 | 3,696 | 22,786 | 104 | —495 | 2,141 | 3,953 | 258 |
| State Auto Mut. | 431,764 | 110,476 | 155 | 165,624 | | | 141 | 43 | 7,810 |
| Suburban Cas. | 426,931 | 102,917 | 589 | 187,567 | | | | 139 | 9,765 |
| Trans. Cas. | 148,486 | 44,921 | 18,890 | 30,912 | 509 | 1,506 | 8,170 | 12,324 | 2,774 |
| Travelers Ind. | 59,879 | 24,499 | 2,323 | 17,136 | 63 | | 3,102 | 6,235 | 949 |
| Trinity Univ. | 10,454 | 577 | 9,432 | 377 | | | | | 68 |
| Un. Natl. Ind. | 135 | 125 | 10 | | | | | | |
| United Pacific | 902,484 | 367,345 | 140,291 | 219,334 | 6,975 | 32,243 | 17,136 | 36,140 | 24,993 |
| Utica Mutual | 331,420 | 128,599 | 27,332 | 117,602 | 2,631 | —110 | 8,730 | 16,148 | 9,224 |
| Val. Surety | 736,307 | 224,083 | 163,718 | 158,362 | 11,068 | 87,986 | 15,882 | 38,104 | 30,134 |
| West American | 260,483 | 90,049 | 52,313 | 80,386 | 2,032 | 6,533 | 9,110 | 10,281 | 7,729 |
| Western Cas. | 125,560 | | 90 | 59,991 | 63,049 | | 1,502 | | 928 |
| West. Res. Mut. | 37,238 | 500 | | 121,290 | 492 | 1,154 | 883 | 3,271 | |
| Wolverine | 269,918 | 45,803 | 4,010 | 34,196 | | | 116 | 580 | 75 |
| Yorkshire Ind. | 117,068 | 5,755 | 350 | 83,196 | | | | | |
| Zurich | 4,837 | 2,765 | 74 | 1,998 | | | | | |
| | 408 | 325 | 153 | —69 | | | | | |
| | 268,984 | 50,627 | 3,654 | 128,266 | | | 5,549 | 491 | |
| | 178,789 | 43,368 | 310 | 86,360 | | | 2,452 | | |
| | 1,833,810 | 466,075 | 142,130 | 796,198 | | | 181,718 | 52,215 | 27,496 |
| | 510,181 | 126,360 | 16,927 | 251,469 | | | 57,530 | 11,403 | 8,098 |
| | 680,805 | 126,337 | | 109,943 | 37,901 | 110,781 | 9,726 | 36,064 | 27,320 |
| | 178,024 | 38,894 | | 75,426 | 983 | —10,219 | 3,276 | 5,978 | 10,271 |
| | 8,455,666 | 2,492,981 | 141,446 | 4,628,761 | 1,620 | | 20,190 | 47,634 | 31,905 |
| | 2,858,234 | 936,558 | 8,367 | 1,623,871 | | | 7,112 | 5,092 | 10,142 |

| | Total Prelim. and Losses | Auto. Liab. Prelim. and Losses | Other Liab. Prelim. and Losses | Auto. P. D. & Coll. Prelim. and Losses | Fidel. Prelim. and Losses | Surety Prelim. and Losses | Plate Glass Prelim. and Losses | Burg. Theft Prelim. and Losses | Other P. D. & Coll. Prelim. and Losses |
|-----------------|-----------------------------------|--|--|--|------------------------------------|------------------------------------|--|--|--|
| Summit F. & S. | 33,194 | | | | | 33,194 | | | |
| Sun Indemnity | 2,808 | | | | | 2,808 | | | |
| Suburban Cas. | 89,184 | 35,808 | 4,674 | 21,382 | 1,326 | 745 | 1,411 | 3,719 | |
| Trans. Cas. | 45,655 | 25,306 | 1,256 | 12,656 | | | 670 | 1,285 | |
| Travelers Ind. | 9,366 | 2,664 | | 5,579 | | | | | |
| Trinity Univ. | 10,878 | 7,033 | | 2,795 | | | | | |
| Un. Natl. Ind. | 25,547 | 18,438 | | 4,109 | | | | | |
| United Pacific | 17,416 | 12,655 | | 4,761 | | | | | |
| U. S. Cas. | 4,512,076 | 1,585,710 | 141,390 | 1,661,753 | 93,539 | 138,327 | 60,007 | 416,328 | |
| U. S. F. & G. | 1,792,054 | 616,449 | 56,225 | 772,540 | 32,337 | 1,294 | 24,640 | 161,691 | |
| U. S. Guar. | 210,995 | 12,807 | 38,132 | 32,454 | 3,605 | 44,590 | 6,881 | 13,033 | |
| Utica Mutual | 227,649 | 55,235 | 2,916 | 78,197 | 5,000 | | 2,532 | 2,203 | |
| Val. Surety | 52,475 | 22,986 | 5,168 | 17,076 | 353 | 2,183 | 1,474 | 2,675 | |
| West American | 27,818 | 13,390 | 1,538 | 12,256 | | | 159 | 318 | |
| Western Cas. | 13,996 | | | 13,996 | | | | | |
| West. Res. Mut. | 2,157 | | | —51 | 2,209 | | | | |
| Wolverine | 294,693 | 106,692 | 60,681 | 58,724 | 8,733 | 11,791 | 5,181 | 11,543 | |
| Yorkshire Ind. | 2,621,145 | 606,988 | 450,432 | 32,029 | 9,724 | 3,616 | 7,214 | 2,047 | |
| Zurich | 875,297 | 313,376 | 116,539 | 473,881 | 212,824 | 370,802 | 48,985 | 192,427 | |
| | 849,301 | 175,400 | 125,630 | 228,350 | 55,877 | 29,168 | 17,888 | 75,361 | |
| | 337,639 | 61,637 | 41,305 | 59,509 | 48,739 | 96,524 | 1,142 | 3,495 | |
| | 2,791 | 1,487 | 216 | 1,039 | | | —91 | —24 | |
| | 389 | 100 | | 289 | | | | | |
| | 254,822 | 157,114 | | 97,708 | | | | | |
| | 128,196 | 79,855 | | 48,341 | | | | | |
| | 859 | | | 857 | 3 | | | | |
| | 300,606 | 106,033 | | 89,483 | 879 | 7,007 | 0,553 | 3,201 | |
| | 110,905 | 35,804 | | 48,537 | | 10,817 | 2,067 | 4,979 | |
| | 436,031 | 67,684 | | 301,926 | | | | | |
| | 132,691 | 26,229 | | 92,610 | | | | | |
| | 44,869 | | | 13,514 | 31,355 | | | | |
| | 660,119 | 181,653 | 23,974 | 346,093 | | 10,218 | 9,297 | 8,300 | |
| | 216,688 | 61,871 | 1,709 | 128,282 | | 1,578 | 1,172 | 1,110 | |
| | 73,481 | 23,088 | 10,913 | 14,848 | 1,373 | 9,289 | 3,271 | 5,492 | |
| | 742,302 | 163,689 | 122,161 | 108,304 | | —1,315 | 9,347 | 20,601 | |
| | 352,614 | 73,618 | 18,071 | 63,557 | | | 6,029 | 6,540 | |

*You too will be carefree
if you rid yourself of worries!*



In carrying on the ex-
acting business of in-
surance, important
duties can easily slip
one's mind these busy
days.

Every insurance man
strives to render the
best of service, but
**NO ONE IS INFAL-
LIBLE.**

Every day, some broker or agent or member of his staff,
may forget, or misunderstand, or
"Didn't Have Time,"

to renew an expiring policy, or
to complete a new order, or
to increase present limits, etc.

The Broker or Agent May Be Held Liable
for the Amount of any Loss, in Case of
Errors or Omissions on His Part.

**ERRORS & OMISSIONS INSURANCE
FOR INSURANCE AGENTS & BROKERS
IS THE ANSWER.**

For Information and Lowest Rates

A. F. Shaw & Co., Inc.

Insurance Exchange

Chicago 4, Ill.

Phone WAbash 2-1068

"Shaw Service Satisfies"

Ohio Totals

| | 1949 | 1948 |
|---------------------|----------------|---------------|
| Total Prelim. | \$227,381,527* | \$210,722,228 |
| Total Losses | 110,830,863* | 100,301,918 |
| Auto B. I. Prelim. | 39,326,658 | 38,290,966 |
| Auto B. I. Losses | 15,357,964 | 13,692,487 |
| Other Liab. Prelim. | 10,880,556 | 11,243,531 |
| Other Liab. Losses | 2,994,298 | 2,293,531 |
| Auto P.D. Prelim. | 48,929,231 | 44,345,706 |
| Auto P.D. Losses | 21,962,108 | 20,404,761 |
| Fidelity Prelim. | 2,993,588 | 3,597,150 |
| Fidelity Losses | 720,634 | 660,062 |
| Surety Prelim. | 3,866,003 | 3,783,218 |
| Surety Losses | 162,659 | 200,844 |
| Glass Prelim. | 1,443,227 | 1,069,056 |
| Glass Losses | 544,069 | 582,257 |
| Burglary Prelim. | 4,329,568 | 4,216,256 |
| Burglary Losses | 1,323,829 | 1,267,225 |
| Other P.D. Prelim. | 2,676,680 | 2,517,021 |
| Other P.D. Losses | 791,401 | 582,682 |

*Includes classes shown below and fire,
theft, etc., of full cover auto insurers as well
as fire and allied business of multiple line
companies.

Other Lines

| | Net Prelim. | Paid Losses |
|-------------------------|----------------|----------------|
| Accident & Casualty | \$ 2,967 | \$ 864 |
| Aetna Casualty | 6,664 | 6 |
| Aetna Life | 5,988,146 | 4,613,155 |
| Allegheny Mut. Cas. | 25,096 | 8,290 |
| Allstate | 7 | |
| Amer. Automobile | 11 | 120 |
| Amer. Casualty | 69,967 | 27,418 |
| Amer. Employers | 10,593 | 3,774 |
| Amer. Guarantee | 53 | |
| Amer. Health | 48,502 | 18,334 |
| Amer. Home Mut. | 41,134 | 19,366 |
| Amer. L. & A. | 421,804 | 139,122 |
| Amer. Motorists | 6,849 | 2,343 |
| Amer. Mut. Liab. | 7,509 | 6,277 |
| Amer. Policyholders | | 5,058 |
| Amer. Reins. | | 2,218 |
| Amer. Surety | 102 | 6 |
| Anchor Casualty | 10 | |
| Associated Indem. | 348 | 2,439 |
| Atlanta Life | 99,336 | 31,262 |
| Atlantic Insurance | 5,397 | 1,467 |
| Auto-Owners | 50,856 | 17,783 |
| Bankers Indemnity | 11,790 | 1,641 |
| Bankers Life | 112,526 | 75,764 |
| Bankers L. & C. | 3,206,975 | 1,190,824 |
| Bankers Natl. Life | 391 | 123 |
| Beacon Mut. Ind. | 201,927 | 69,319 |
| Beneficial Standard | 13,049 | 4,153 |
| Benefit Assn. Ry. Empl. | 591,245 | 357,950 |
| Buckeye Union Cas. | 280,201 | 106,065 |
| B. M. A. | 567,728 | 281,784 |
| Capitol | 14,390 | 4,643 |
| Celina Mutual | 96,127 | 37,687 |
| Central Assurance | 173,090 | 64,846 |
| Central Life | 10,659 | 4,793 |
| Central National | 78 | |
| Central Surety | 153 | |
| Century Indemnity | 2,049 | 1,358 |
| Colonial | 169,789 | 34,808 |
| Columbia Casualty | 4,954 | 2,644 |
| Columbian Natl. Life | 18,016 | 7,839 |
| Columbus Disp. Rdrs. | 76,246 | 43,685 |
| Columbus Mutual Life | 84,465 | 35,629 |
| Combined, Ill. | 11,885 | 4,057 |
| Combined, Pa. | 115,982 | 41,255 |
| Commercial Casualty | 277,480 | 153,195 |
| Commonwealth L. & A. | 139,277 | 28,382 |
| Connecticut Genl. Life | 963,972 | 627,747 |
| Continental Assur. | 730,608 | 499,205 |
| Continental Casualty | 2,020,477 | 792,255 |
| Craftsman | 96,408 | 44,449 |
| Credit Life | 4,022 | |
| Dearborn Natl. Cas. | 8,364 | |
| Domestic Life & Acc. | 183,205 | 77,212 |
| Dunbar Life | 107,775 | 30,789 |
| Eagle Indemnity | 5 | 250 |

| | Net Prelms. | Paid Losses |
|--------------------------|----------------|----------------|
| Eagles National Life | 16,504 | 7,400 |
| Educators Mutual | 139,181 | 49,601 |
| Emmco Casualty | 795 | 2,271 |
| Empire State Mutual | 9,592 | 5,901 |
| Employers, Ala. | 2,316 | |
| Employers' Liability | 15,394 | 6,500 |
| Employers Mut. Liab. | 2,123 | |
| Employers Reins. | 49,298 | 17,400 |
| Equitable Society | 3,682,634 | 2,327,406 |
| European Gen. Reins. | 59,274 | 18,581 |
| Excess | 411 | 16 |
| Farm Bur. Mut. Auto. | 1,067,440 | 847,567 |
| Farmers Life | 9,782 | 2,301 |
| Federal Life | 21,978 | 28,716 |
| Federal L. & C. | 584,394 | 158,632 |
| Fidelity & Casualty | 120,718 | 14,504 |
| Fidelity H. & A. Mut. | 34,826 | 13,011 |
| Fireman's Fund Ind. | 11,209 | 8,173 |
| Firestone Mutual | 152,558 | 46,401 |
| Franklin Life | 11,950 | 2,401 |
| General Accident | 84,123 | 38,821 |
| General Amer. Life | 50,643 | 29,417 |
| Glens Falls Ind. | 14,759 | 1,513 |
| Globe Casualty | 152,634 | 46,092 |
| Globe Indemnity | 55,202 | 18,581 |
| Grange Mutual Cas. | 370,801 | 315,332 |
| Great Amer. Indem. | 24,835 | 55,182 |
| Great-West Life | 4,421 | 2,179 |
| Guarantee Mutual Life | 5,009 | 373 |
| Hardware Mut. Cas. | 2,501 | 700 |
| Hartford Accident | 62,220 | 15,600 |
| Home Indemnity | 3,568 | 24 |
| Hoosier Casualty | 603,759 | 331,157 |
| Illinois Bankers Life | 282,937 | 92,307 |
| Illinois Mut. Cas. | 6,207 | 2,673 |
| Income Guaranty | 229,774 | 84,381 |
| Indemnity of N. Y. | 150,281 | 95,170 |
| Inter-Ocean | 956,079 | 347,100 |
| Inter-State Assurance | 118,085 | 38,776 |
| Jefferson Natl. Life | 2,517 | 1 |
| John Hancock | 1,124,473 | 631,010 |
| Kemba Mutual | 143,601 | 113,707 |
| Kentucky Central L. & A. | 738,954 | 280,775 |
| Liberty Mutual | 12,116 | 18,676 |
| Life of Virginia | 7,304 | 3,443 |
| Lincoln Natl. Life | 175,338 | 114,388 |
| London Guaratee | 5,038 | 24 |
| Londal & Lancashire | 10,234 | 22 |
| Loyal Protective Life | 230,590 | 65,307 |
| Lumbermen's Mut. Cas. | 59,127 | 25,907 |
| Mammoth Life & Acc. | 276,160 | 115,440 |
| Manufacturers Cas. | 16,484 | 15 |
| Maryland Casualty | 98,353 | 27,776 |
| Mass. Bonding | 64,835 | 20,840 |
| Mass. Casualty | 325,484 | 61,177 |
| Mass. Indemnity | 383,699 | 101,477 |
| Mass. Mutual Life | 98,059 | 63,211 |
| Mass. Protective | 669,480 | 274,141 |
| Merchants Indemnity | 169 | |
| Metropolitan Cas. | 773,497 | 423,737 |
| Metropolitan Life | 8,777,004 | 5,619,950 |
| Michigan Life | 21,912 | 8,300 |
| Michigan Mut. Liab. | 3,173 | 3,930 |
| Michigan Surety | 6,838 | 21 |
| Mid-States | 5 | |
| Monarch Life | 360,597 | 160,000 |
| Motorists Mutual | 13,989 | 6 |
| Mutual Benefit H. & A. | 5,239,259 | 2,619,939 |
| National A. & H. | 119,027 | 40,190 |
| National Casualty | 399,555 | 186,625 |
| National Life & Acc. | 933,318 | 381,261 |
| National Life & Marine | 123,397 | 35,776 |
| New Amsterdam Cas. | 25,566 | 8,800 |
| New York Casualty | 264 | |
| North Amer. Accident | 423,270 | 160,930 |
| North Amer. Life | 12,644 | 40 |
| Northern Life | 1,987 | 1,737 |
| Northwestern Nat'l Life | 5,843 | 2,300 |
| Norwich Union Ind. | 608 | |
| Occidental Life | 160,957 | 113,440 |
| Ohio Accident | 29,627 | 10,400 |
| Ohio Athletic Injury | 33,698 | 3,930 |
| Ohio Casualty | 2,214 | 1,717 |
| Ohio Farmers Indem. | 8 | |
| Ohio State Life | 96,756 | 28,800 |
| Old Line Life | 23,956 | 10 |
| Pacific Mutual Life | 649,072 | 366,600 |
| Paul Revere Life | 340,695 | 191,410 |
| Peerless Casualty | 22,181 | 4,600 |
| Phoenix Indemnity | 7,326 | 3,800 |
| Pioneer Mut. Life | 1,000 | 12,400 |

(CONTINUED ON PAGE 28)

Why agents represent AMICO...

| Burg. Other P. & Coll. & Theft | Premiums | Losses |
|--------------------------------|----------|---------|
| 3,719 | 2,285 | 124 |
| 11,543 | 7,314 | 11,136 |
| 161,691 | 92,427 | 112,400 |
| 13,033 | 75,361 | 26,544 |
| 2,203 | 30,353 | 46,902 |
| 2,675 | 3,495 | 24,510 |
| 318 | —24 | 10 |
| 9,553 | 3,979 | 8,000 |
| 1,172 | 5,492 | 1,310 |
| 4,353 | 0,261 | 40,620 |
| 6,540 | | 4,115 |

NEW! Family Polio Policy 3 YEARS' INSURANCE Pays \$5000



Costs Only \$10 for Average Family

There is one of the most important of all diseases in this country today... Polio... It is a disease that will give you up to \$5000 worth of insurance for your family... It is a disease that will give you up to \$5000 worth of insurance for your family... It is a disease that will give you up to \$5000 worth of insurance for your family...

HOW TO GET THIS POLICY:
Fill in and mail the application form today... It is a disease that will give you up to \$5000 worth of insurance for your family... It is a disease that will give you up to \$5000 worth of insurance for your family... It is a disease that will give you up to \$5000 worth of insurance for your family...

- 1. HOSPITAL CARE—\$1000
- 2. IRON LUNG—\$1000
- 3. MEDICAL CARE—\$1000
- 4. NURSING CARE—\$1000
- 5. TRANSPORTATION—\$1000
- 6. AMBULANCE SERVICE—\$1000

AMERICAN MOTORISTS INSURANCE COMPANY
Mutual Insurance Building
Chicago 40, Illinois



NEW! Family Polio Policy
3 YEARS' INSURANCE Pays \$5000

3 YEARS' INSURANCE Pays \$5000



NEW! Family Polio Policy
3 YEARS' INSURANCE Pays \$5000

NEW Family Polio Policy 3 YEARS' INSURANCE Pays \$5000

Costs Only \$10 for Average Family

- 1. Hospital Care—\$1000
- 2. Iron Lung—\$1000
- 3. Medical Care—\$1000
- 4. Nursing Care—\$1000
- 5. Transportation—\$1000
- 6. Ambulance Service—\$1000

AMERICAN MOTORISTS INSURANCE COMPANY
Mutual Insurance Building
Chicago 40, Illinois



AMICO

Do you have the AMICO Family Polio Policy?

If you have the AMICO Family Polio Policy, you are protected against the risk of polio for your family for three years. The AMICO Family Polio Policy costs only \$10 for the average family. It pays up to \$5000 for hospital care, iron lung, medical care, nursing care, transportation, and ambulance service.

Fill in and mail the application form today. It is a disease that will give you up to \$5000 worth of insurance for your family. It is a disease that will give you up to \$5000 worth of insurance for your family. It is a disease that will give you up to \$5000 worth of insurance for your family.

TAKE ONE

AMERICAN MOTORISTS INSURANCE COMPANY

Fill in and mail the application form today. It is a disease that will give you up to \$5000 worth of insurance for your family. It is a disease that will give you up to \$5000 worth of insurance for your family. It is a disease that will give you up to \$5000 worth of insurance for your family.

Applications for your Polio Insurance

Fill in and mail the application form today. It is a disease that will give you up to \$5000 worth of insurance for your family. It is a disease that will give you up to \$5000 worth of insurance for your family. It is a disease that will give you up to \$5000 worth of insurance for your family.

AMICO represents sound merchandising support...

The introduction of AMICO'S new, low-cost Family Polio policy is an example of the type of merchandising support AMICO gives its agents. The Polio policy program has been designed to give maximum local sales effectiveness through a complete array of merchandising aids supported by national advertising and tie-in materials. These include newspaper ad mats to tie-in locally with AMICO'S national advertising campaign, recorded and mimeographed radio announcements, window display cards, posters, point-of-sale folders, direct mail pieces and letterhead stickers. Although the campaign has just begun, AMICO representatives already have sent out more than 100,000 direct mail pieces and have used a quarter of a million promotion and advertising pieces in their local sales efforts.

American MOTORISTS INSURANCE COMPANY

James S. Kemper, chairman H. G. Kemper, president

Sheridan Road at Lawrence Avenue Chicago 40

Casualty Premiums and Losses in 1949 in Ohio

(CONTINUED FROM PAGE 24)

| | Net Premiums | Paid Losses |
|-----------------------------|-----------------|----------------|
| Preferred Acc. N. Y. | 28,081 | 3,409 |
| Progressive Mut. | 12,978 | 1,414 |
| Provident Life & Acc. | 836,007 | 526,465 |
| Prudential | 2,652,632 | 2,018,047 |
| Reliance Life | 77,996 | 25,079 |
| Reserve Life | 417,459 | 84,312 |
| Royal Indemnity | 23,265 | 7,425 |
| St. Paul-Mercury Ind. | 6,969 | 2,051 |
| Secured Casualty | 65,718 | 12,196 |
| Security Mutual Life | 25,402 | 3,916 |
| Service Life | 12,894 | 4,935 |
| Shawnee Mutual | 53,064 | 37,135 |
| Standard Acc. | 36,136 | 10,536 |
| State Mutual Life | 33,472 | 13,426 |
| Sterling | 325,520 | 63,006 |
| Sun Indemnity of N. Y. | 20,828 | 4,283 |
| Superior Life | 196,452 | 83,656 |
| Supreme Liberty Life | 1,722 | 1,722 |
| Travelers | 3,338,913 | 2,037,682 |
| Union Casualty | 58,500 | 68,885 |
| Union Labor Life | 29,960 | 16,003 |
| Union Mutual Life | 60,308 | 17,269 |
| United, Ill. | 2,197,580 | 787,704 |
| United Benefit Life | 981,471 | 436,592 |
| United National Ind. | — | — |
| U. S. Casualty | 20,214 | 1,248 |
| U. S. F. & G. | 39,267 | 6,729 |
| U. S. Guarantee | 1,838 | 18 |
| U. S. Mut. Ben. Assn. | 106,988 | 45,481 |
| United Life & Acc. | 2,206 | 2,009 |
| Utica Mutual | 10 | — |
| Washington National | 1,404,424 | 597,503 |
| Western Casualty | 7,647 | 3,465 |

Behind the Scenes With YOUR INSURANCE COMPANY

Where certain losses exceed the insurance carried, the insured becomes aware of an important part of Claim Service—Salvage recovery. It reduces the loss for the insured and thereby benefits the business community as a whole.

CASE OF THE MISSING \$24,356



It happened to a small business owner in the mid-west, when his trusted bookkeeper disappeared — leaving juggled books and a \$24,356 shortage!

The employer had bonded the bookkeeper for \$10,000. This amount he knew would be promptly paid. But the remaining \$14,356 was still too great a loss for his company to absorb.

Our local agent, who had furnished the bond, reassured the worried owner, explained that an experienced claim man had been assigned to the case, to see if any part of the loss could be salvaged.

After a month of intensive searching, our claim man located the bookkeeper in a distant state. He still had \$13,840 of the missing cash. As provided in the bond, this was promptly returned to the employer, enabling him to continue in business. Because of this special service by our highly trained and experienced personnel, almost 100% recovery was made for the insured.

Remember: This example is typical of the Salvage recovery feature of the Claim Service you automatically receive when you have the protection of our bond. Our local agent will gladly furnish a bond to fit your particular needs.

One of a series appearing in general and business magazines pointing out the little-known free services which our Companies provide for their insureds.

AMERICAN SURETY GROUP

AMERICAN SURETY COMPANY
NEW YORK CASUALTY COMPANY
SURETY FIRE INSURANCE COMPANY

100 Broadway, New York 5, N. Y.

FIDELITY • SURETY • CASUALTY • INLAND MARINE • ACCOUNTANTS LIABILITY



| | Net Premiums | Paid Losses |
|--------------------------|-----------------|----------------|
| Western & Southern | 42,506 | 108,869 |
| Wolverine | 1,846 | 316 |
| Woodmen Accident | 206,396 | 73,880 |
| World | 1,030,035 | 295,424 |
| Zurich | 277,946 | 180,665 |
| Totals | \$64,012,043 | \$38,057,034 |
| 1948 | 61,504,001 | 31,844,617 |

HOSPITALIZATION AND MEDICAL

| | | |
|-----------------------------|--------------|--------------|
| Akron Hosp. Serv. | \$2,250,545 | \$1,959,573 |
| Assoc. Hosp. Serv. O. | 2,265,592 | 2,113,633 |
| Central Hosp. O. | 3,066,789 | 2,521,427 |
| Cleveland Hosp. Serv. | 11,798,292 | 11,156,324 |
| Hosp. Care Corp. O. | 8,534,128 | 7,255,946 |
| H. S. Licking Co. O. | 74,384 | 61,694 |
| Hosp. Serv. of Toledo. | 3,323,503 | 2,867,585 |
| Hosp. Serv. of Lima. | 791,023 | 661,617 |
| H. S. Stark Co. O. | 1,527,279 | 1,422,933 |
| Med. Mut. Cleveland | 702,497 | 501,490 |
| Ohio Med. Ind. | 4,035,363 | 2,812,445 |
| Portsmouth Hosp. O. | 231,782 | 212,291 |
| Totals | \$38,601,168 | \$33,546,958 |
| 1948 | 28,697,287 | 25,905,273 |

STEAM BOILER AND MACHINERY

| | | |
|-----------------------------|----------|----------|
| Aetna Casualty | \$ 1,388 | \$ 5,236 |
| Amer. Employers | 3,883 | 25 |
| Amer. Guarantee | 19,059 | 2,810 |
| Amer. Reins. | 1,069 | — |
| Arex Indemnity | 926 | — |
| Columbia Casualty | 15,408 | 4,321 |
| Eagle Indemnity | 737 | 700 |
| Employers Reins. | 17 | — |
| European Gen. Reins. | 5,735 | 38 |
| Excess | 3,101 | — |
| Fidelity & Casualty | 110,218 | 8,091 |
| Globe Indemnity | 25,640 | 5,490 |
| Hartford Steam Boiler | 781,617 | 290,878 |

| | Net Premiums | Paid Losses |
|----------------------------|-----------------|----------------|
| London Guarantee | 118,475 | 45,440 |
| Lumbermen's Mut. Cas. | 163,776 | 75,240 |
| Maryland Casualty | 90,603 | 9,940 |
| Motorists Mutual | 433,604 | 89,776 |
| Mutual Boiler | 300,662 | 29,880 |
| Ocean Accident | 65,157 | 8,920 |
| Phoenix Indemnity | 20,794 | 2,350 |
| Royal Indemnity | 34,744 | 13,011 |
| Travelers Indemnity | 166,356 | 64,681 |
| Totals | \$2,361,500 | \$ 657,318 |
| 1948 | 2,779,924 | 581,877 |

LIVESTOCK

| | | |
|--------------------------|------------|-----------|
| Grange Mutual Cas. | \$ 1,656 | \$ 1,134 |
| Hartford Livestock | 108,011 | 42,987 |
| Totals | \$ 109,667 | \$ 44,121 |
| 1948 | 113,462 | 56,567 |

CREDIT

| | | |
|------------------------------|------------|-----------|
| Amer. Credit Ind. N. Y. | \$ 270,061 | \$ 56,345 |
| Employers Reins. | 41,399 | 20,811 |
| European Gen. Reins. | 45,766 | 3,418 |
| London Guarantee | 113,899 | 10,511 |
| Totals | \$ 471,125 | \$ 91,085 |
| 1948 | 537,139 | 8,311 |

SPRINKLER AND WATER DAMAGE

| | | |
|-----------------------------|----------|----------|
| Commercial Casualty | \$ 338 | \$ 767 |
| Indemnity of N. A. | 2,629 | 60 |
| London Guarantee | 710 | — |
| Maryland Casualty | 4,537 | 1,887 |
| Metropolitan Casualty | 1 | — |
| Phoenix Indemnity | 120 | — |
| U. S. Guarantee | 412 | 405 |
| Totals | \$ 8,747 | \$ 3,511 |
| 1948 | 36,282 | 14,301 |

ACCIDENT AND HEALTH

American Benefit Now Mutual; on Agency Basis

American Benefit Assn. of Minneapolis has changed its corporate setup from an assessment association to a level rate mutual. Paul Clement, formerly secretary-treasurer, has been elected president; James C. White, formerly assistant secretary-treasurer, vice-president, and Arthur Dengler, secretary-treasurer.

American Benefit was founded in 1927 and is an affiliate of Minnesota Commercial Men's, of which Mr. Clement is secretary and general manager. It will retain the old name, and will write a complete line of A. & H., hospital and surgery insurance for men and women on the individual and family group basis.

Heretofore the association has done business by direct mail, but is now establishing a selling organization and is setting up agencies in Minnesota.

Earl Walton Joins World

Earl C. Walton has been appointed to the newly created position of manager of sales research of World.

Mr. Walton has a background of some 15 years of personal life production, and served as assistant manager of one of Omaha's leading life agencies. He will assist in agency management and training.

Fete Markus on 10th Year

More than 100 friends, associates and employees honored at a testimonial dinner at Cleveland Roy C. Markus and his wife, Eva, on their 10th anniversary as manager and co-manager of the Ohio state agency of World. The agency has consistently led the company and last year wrote \$1,040,446 in A. & H. premiums and added \$1,083,750 to life insurance in force.

Ross Is Utah President

Raymond R. Ross, Equitable Life & Casualty, was elected president of Utah A. & H. Club at its annual meeting at Salt Lake City. He succeeds Leo R. Porter, Columbian National Life, who becomes an ex-officio director. Theodore J. Alexander, Mutual Benefit H. & A., is vice-president, and Parley Woolsey, Mutual Benefit H. & A., re-elected secretary for the fifth year. Directors, in addition to Mr. Porter, are A. Harry Good, Walker agency; Max Rasmussen, Occidental Life; D. C. Stephens, Security Life & Accident; William Pappas, Mutual Benefit H. & A.

Stubblefield N. C. Manager for Educators Mutual

Educators Mutual has appointed O. E. Stubblefield state manager for North Carolina and has opened new offices at Raleigh.

Mr. Stubblefield started with Washington National in 1937, served as superintendent at Atlantic City and manager at Wilmington, Del., and was a leading producer.

In 1944 he became general agent of American Home Mutual Life of Washington, D. C., and established agencies at Jacksonville, Fla., Wilmington, Del. and Cleveland. In 1948 he was promoted to district manager at Cleveland.

Loomis McCa. Goodwin of Greensboro, who has represented Educators in North Carolina for some time, has been appointed special agent for the state and will work out of the Raleigh office.

Fireman's Fund Enters Polio Insurance Field

Fireman's Fund group has brought out an individual and family polio policy. The coverage is for two years and pays up to \$5,000 for any member of the family for iron lung costs, doctor, nurse and hospital bills, and transportation to a hospital or a sanatorium.

The company has prepared a direct mail advertising form so designed that it serves as an application blank when signed and returned. The premium is \$10 for a family and \$5 for individuals. There is no age limit for adults, and children over three months are eligible.

Chicago Women Elect Grae

The women's division of Chicago A. & H. Assn. has elected the following officers: Carrie Grae, Hooper-Holmes Bureau, president; Helen Boltz, Washington National, vice-president and program chairman; Elyse F. Cremin, American Casualty, vice-president and membership chairman; Veronica Cardott, Provident L. & A., vice-president and arrangements chairman; Mary Girard, Insurance Economics Society, secretary, and Marian Zuckerman, United, treasurer. Maryland Hull, retiring president, was named delegate to the international convention.

U.S.F.&G. Agents Forum on A. & H.

At a luncheon meeting of agents at Garden City, L. I., Thomas R. Crone, assistant manager suburban office of U.S.F.&G., conducted a seminar on commercial accident and health combined with the new DBL coverages.

| Net | Paid |
|-------|------------|
| ems. | Losses |
| 8,475 | 45,440 |
| 3,776 | 75,540 |
| 0,603 | 9,940 |
| 3,604 | 89,720 |
| 0,662 | 29,800 |
| 5,157 | 8,920 |
| 0,008 | 2,350 |
| 4,744 | 13,615 |
| 6,356 | 64,661 |
| 1,500 | \$ 657,305 |
| 9,924 | \$ 581,177 |

| Net | Paid |
|-------|-----------|
| ems. | Losses |
| 1,656 | \$ 1,134 |
| 0,011 | 42,567 |
| 9,667 | \$ 44,181 |
| 4,462 | 56,567 |
| 0,061 | \$ 56,245 |
| 3,399 | 20,811 |
| 7,766 | 2,410 |
| 8,899 | 10,511 |

DAMAGE

| Net | Paid |
|------|--------|
| ems. | Losses |
| 338 | \$ 747 |
| 629 | 601 |
| 710 | 15 |
| 537 | 1,467 |
| 1 | 1 |
| 120 | 1 |
| 412 | 421 |

| Net | Paid |
|------|----------|
| ems. | Losses |
| 747 | \$ 3,511 |
| 282 | 14,261 |

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Guest speakers included Edward S. Grandin, III, superintendent group disability division, home office, and Harold M. George, general superintendent A. & H. department, New York office. Special Agent Edward S. Hughes presented one of the first DBL policies to Agent Arthur Goller of Huntington, L. I., in a ceremony including Assistant Manager Thomas Crone, Donald DeLargy, superintendent A. & H. department, suburban office, and Paul Hussar, home office group underwriter.

Wis. Natl. Enters Polio Field

Wisconsin National Life is now offering a policy covering polio and seven other dread diseases up to \$5,000 for \$4 per year for one person, \$7 for two persons, and \$10 for the family group.

Don E. Stanley, for the past year with Pacific Northwest Underwriter, has become field supervisor for United Pacific's A. & H. department in Oregon.

R. E. Casperson, who has been with American Hospital & Life at Amarillo, has been appointed manager at Lubbock, Tex.

The H. W. Dexter A. & H. agency of Pittsburgh has been sold to W. T. Rowland, Jr. and A. C. Bertholon of the firm of Bertholon-Rowland & Co. of Newark, New York and Philadelphia. They will continue the Dexter agency of Pittsburgh.

ASSOCIATIONS

Hume Heads Independents' Claim Managers Council

John T. Hume, Jr., superintendent of claims of Indiana Insurance Co., was elected president of Claim Managers Council of Independent Casualty Insurers at its recent meeting at Madison, Wis. Myrl F. Priest, Anchor Casualty, is vice-president, and L. F. Knipschild, Freeport Motor Casualty, secretary. R. D. Denton, Wolverine, and F. C. Saas, Buckeye Union, retiring president and secretary, were elected to the executive committee.

The meeting at Madison was well attended and presented an interesting and educational program. C. E. Moule, Ohio Farmers Indemnity, discussed coverage and claim problems involving the new garage liability policy. John Joyce, Capitol Indemnity, spoke on permissive use under the additional insureds clause and Fred Hagen, United Casualty, gave some interesting comments on the matter of accident or occurrence in insuring clauses and also bodily injury or personal injury as used in the insurance contract.

Holly Fluty, counsel of General Re-Insurance, was a guest and discussed interesting cases involving reinsurance.

Lawrence Hart, Madison attorney, gave a historical discussion of the Wisconsin comparative negligence law and its application to adjustment and litigation of claims growing out of motor vehicle accidents.

Thompson Seattle President

Alden Thompson, Fireman's Fund, has been elected president of Seattle Casualty Adjusters Assn. R. T. Pederson, Allstate, is vice-president, and William Edmunds, Hartford, secretary. The association held its annual golf party and outing at Inglewood Golf Club.

Ohio Assn. Elects June 26

Ohio Assn. of Casualty & Surety Managers will meet June 26 at Columbus. Officers will be elected.

Holds Schools for Agents

Schools for agents were held this week by Casualty Underwriters, Inc., owned and operated by local agents, at St. Paul and Willmar, Minn.

SURETY

\$1 Million in Premiums on N. J. Turnpike Bonds

The Newark Evening News this week carried a long feature story from its Trenton bureau regarding the fact that contractors' performance bonds in the construction of the 118 toll road from George Washington bridge on the New York line to Deepwater on the Delaware river will cost the state turnpike authority approximately \$1 million, of which \$150,000 to \$300,000 will go to insurance producers. The bond issue is \$220 million.

Authority officials indicated that they were insisting that bonds be written by agents residing in the state. No producer, according to the authority, is to be recommended for more than one fee, and the business is being distributed well across the state by counties. The authority has already let \$61 million in contracts. The authority is following the bonding practice of the state highway department and other public agencies. Performance bonds are required on contracts of more than

\$5,000, and most contracts are running around \$2 million.

Surety Assn. Adds Two

Surety Assn. of America has elected to membership Transportation of Chicago and Springfield F. & M., bringing total membership to 60.

PERSONALS

Marland K. Strasser, public education director of Assn. of Casualty & Surety Companies, has completed the requirements for the degree of doctor of education, to be awarded by New York University in the near future. His study, "The Development of a Program of Driver Selection, Training and Education for Commercial Motor Vehicle Fleets," presents a detailed and clearly-defined program for the selection and training of drivers in commercial fleets. Mr. Strasser has taught at University of California and other colleges and universities.

David P. Harper, bond department superintendent in Chicago for U.S.F.&G., was honored by 25 of his associates and friends last week at the Union League

Club on the occasion of his 40th anniversary with the company. He was presented with a radio-record player combination as a gift from the home office officials and received other gifts from those on hand. The master of ceremonies was Walter J. Jeffery, assistant manager.

Mr. Harper started with U.S.F.&G. as an office boy under the founder, the late John R. Bland. Later he was at Oklahoma City before moving to Chicago in the bond department.

Executives Hear O'Connor

Edward H. O'Connor, Insurance Economics Society, spoke at a luncheon-meeting of Wisconsin Conference of Association Executives at Milwaukee on "Private Enterprise vs. Socialism." Urban Krier, executive secretary Wisconsin Assn. of Insurance Agents, was chairman.

Approve Continental Increase

Stockholders representing 86% of the stock of Continental Casualty have approved the increase in capital stock from \$6 million to \$7½ million. The directors will meet June 21, when it is expected the increase will be voted in the form of a stock dividend of 25%.

HAWKEYE · SECURITY · INDUSTRIAL · THREE OF THE FINEST



Getting All 3 "Pays-Off"

Every agent who joins Hawkeye-Security-Industrial's ever growing agent family gets the most in home office co-operation . . . the kind of wholehearted co-operation that builds more casualty and fire business.

Hawkeye-Security-Industrial are proud of their prompt and equitable settlement of claims . . . the fact that there is no red tape in dealing with agents . . . that every sales aid is given the agent and a sincere group of field representatives are always at the agent's service.

All these facts add up to the reasons why "the trend is to Hawkeye-Security-Industrial."

HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.
INDUSTRIAL INS. CO.

Des Moines, Iowa

HAWKEYE · SECURITY · INDUSTRIAL · THREE OF THE FINEST



At Quebec meeting of commissioners—pictures by Harry H. Fuller, deputy U. S. manager of Zurich—W. H. Tribou, Aetna Fire; R. B. Taylor, Oregon commissioner; R. E. Hall, Aetna Life companies, and E. J. Taylor, Aetna Fire.

R. M. Brown Independent

Rodman M. Brown has opened his own independent adjusting office at 2320 Polk street, N. E., Minneapolis. For the past 14 years he has been with Underwriters Adjusting. The last six

years he has been at Minneapolis and St. Paul. He has also seen service at the head office, at Peoria as senior staff adjuster and at Grand Island, Neb., as resident adjuster. Earlier he was engaged in the repair of building losses as a general contractor.

CHANGES

Allstate Names Ellis as General Sales Manager

Davis W. Ellis has been appointed assistant vice-president and general sales manager of Allstate of Chicago. He has had 27 years of experience in insurance, starting at Huntington, W. Va., after graduation from Indiana University. He was at one time Chicago manager of Monarch Life, and from 1928 to 1942 was western sales manager for Fidelity Investment Co. of Wheeling, W. Va.

He went with Allstate in 1942 as educational director and in 1946 was appointed manager of the Chicago regional office, later becoming assistant vice-president.



Davis W. Ellis



Joseph E. Henry

Joseph E. Henry succeeds Mr. Ellis as manager of the Chicago regional office. After joining Allstate in 1937, he became manager of the Illinois branch in 1939, head of the home office claims division in 1940, home office claims supervisor in 1941 and manager of the Detroit regional office in 1947. He was appointed assistant vice-president earlier this year. He was formerly with F.B.I. and served as a major in the army.

T. P. Lowe to Anchor Home Office as Vice-president

T. Parker Lowe, vice-president of Anchor Casualty on the Pacific Coast, will join the home office executive staff as vice-president July 1. He has spent his entire insurance career with Anchor Casualty, starting in 1932 after completing his studies at University of Minnesota and the commerce school of University of Pennsylvania. He advanced from payroll auditor out of the home office through special agent and state agent until he opened the Pacific Coast department at Los Angeles in 1941. He served there as manager, resident vice-president and was elected vice-president of the company in 1948.

He is a vice-president of the Pacific C.P.C.U. chapter, a director of the National Society of C.P.C.U. a former president of Insurance Forum of Los Angeles and is now vice-president of California Automobile Conference.

Tyler Iowa Director

Henry M. Tyler of Des Moines has been appointed Iowa director for Farmers Mutual Automobile and Union Mutual Life, both of Madison, Wis. For two years he has been district supervisor at Mitchell, S. D., and was one of the life company's leading producers.

Heinbockel Is Advanced

John F. Heinbockel, Jr., has been named superintendent of the casualty department of Hartford Accident at Oakland, Cal. He has been chief casualty underwriter there and has been with the company since 1943.

United Pacific has named Howard M. Nimmons secretary of the executive committee.

Offices Writing DBL in New York Working Overtime

NEW YORK—The disability benefit sales boom finally got under way in New York State, with about 10 business days left for production work. Some company staffs were working nights and some offices expected to remain open Saturday and Sunday as they did last week.

Early in the week business began to pick up and by weekend it was going at a fast clip. Opinion was mixed as to whether the late start would prevent some employers from qualifying before the deadline.

The workmen's compensation board was disturbed at the small number of certificates of insurance that had been filed with it for approval as the deadline approached. It sent out a bulletin to all employers urging them to make a prompt decision. The board expected a great flow of plans in the last week. Immediate statistics were not available because the board is concentrating on the job of processing plans.

The great majority of cases continued to provide only those benefits required by law.

Group men indicated that larger cases were beginning to arrive for the first time. Most of the business that had arrived early was in the below-49-lives group. Larger employers had apparently made up their minds and decided on carriers. The few cases noticed that provided more than statutory benefits were parts of over-all welfare plans. Employers seemed primarily interested in complying with the law.

The final week of June was expected to be a growing snowball of business. The July 4 weekend is looked forward to with great expectations of relaxation.

Add Auto Liability to N. C. Composite Rating Plan

RALEIGH, N. C.—Commissioner Cheek has approved a new composite rating plan for automobile liability, burglary, general liability and glass insurance, in accord with a filing of North Carolina automobile rate administrative office, Mutual Insurance Rating Bureau and National Bureau of Casualty Underwriters.

The composite plan previously had not included auto liability. Besides bringing in auto liability, two other major changes have been made in the plan. One provides that for certain types of contracting risks in the heavy construction field where hazards vary greatly from job to job, composite rates shall be determined separately for each specific job.

The other change adds a new section on "loss rated risks" to provide a simple method of rating large liability risks on the basis of actual incurred losses.

New A. & H. Service

Bureau of A. & H. Underwriters has expanded its services to include group disability coverage. The bureau governing committee announced that the widened company interest in group disability since the enactment of New York DBL indicated the need for a trade association source of service to group companies at the operational level. The service will include the dissemination of group disability information and the conduct of studies affecting it in addition to present services in statutory group disability coverages. Named to the bureau group and statutory disability committee were P. J. Burns, Eagle-Globe-Royal, chairman; Howard A. Moreen, Aetna Life; Francis T. Curran, Commercial Casualty; William F. Brownlee, Connecticut General; Harry V. Williams, Hartford A. & I.; E. H. Marshall, Indemnity of North America, and George E. Light, Travelers.

STERLING SILVER SEAL PLAN



Opens doors
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Greater Earnings!

**PAYS HOSPITAL BILLS
SURGERY BILLS
DOCTOR BILLS**

● Here is the plan that achieves two big goals for STERLING representatives:

- 1—Opens doors
- 2—Produces real earnings

When you show your clients the STERLING SILVER SEAL PLAN, you offer them more complete protection which pays actual doctor bills (not a limited schedule)... actual surgery bills... hospital room... miscellaneous hospital expenses (unallocated).

The Silver Seal Plan is just one of the reasons why Sterling agencies are building fast success stories. Sterling's complete line of newer, streamlined policies—Sterling's high commissions—Sterling's active lead-getting and promotional cooperation... all add up to GREATER EARNINGS—FASTER! Appointments of top-notch men now being made for newly-opened territory. If you want complete information on our STRAIGHT ROAD TO SUCCESS—write or wire today.

L. A. BRESKIN, President

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Now in 21 States

Conference Provides Ideas, Philosophy

(CONTINUED FROM PAGE 22)

read. But insured didn't read it, he had gone on the assumption that he was covered and in addition to resenting a loss on which he had not planned, that the agent did not point out the exclusion makes insured feel like a fool.

In presenting the comprehensive personal liability policy emphasis should be placed on those points of coverage that are most applicable to the particular individual, Howard M. Bromage, instructor Aetna Casualty sales course, said. Does he play golf, hunt or fish? Does he own a dog? Is he a member of the board of education, or the park and playground commission, or similar organization?

Also, Mr. Bromage thinks the medical payments coverage of the policy deserves more attention. While the liability protection is fundamental, he derives great satisfaction from knowing that should a guest in his home (and that includes the young friends of his sons) be injured he has insurance to take care of the medical expenses, irrespective of negligence.

CPL Selling Ideas

The well-informed agent is in a position to adapt this policy to the needs of his prospect. Assume the prospect is a professional man with a downtown office. Why not recommend that O. L. & T. insurance on the office be made a part of the CPL policy rather than a separate contract? While the usual rate for liability insurance on an office would apply, the minimum premium would be less than the standard minimum required for a separate O. L. & T. policy. And many of these offices produce low premiums that come within the special minimum premium. The saving may not be of great importance but the agent is demonstrating his qualifications to handle insurance problems. Many a large account has been secured in just this way.

This business of being well informed, he added, is not simply learning the business as it is today but the agent must keep up with the changes that are taking place every day. The CPL policy may now be endorsed to cover insured's legal liability for fire, explosion, or smoke or smudge damage to premises and house furnishings used by, rented to, or in the care, custody or control of the insured. This coverage should be considered for every policyholder who is a tenant of either furnished or unfurnished dwellings or apartments—and this applies to seasonal property also. The cost is low and customers and prospects should have the privilege of including it in the policy.

Agents and Claims

Insurance companies and agents sell nothing but promises which each year become broader, J. C. Phillips, assistant manager U. S. F. & G., Harrisburg, stated. What they deliver, however, is claim service which reflects the quality of the company and the product the agent sells. As competition becomes keener it is more and more necessary for company and agent to make claim service as prompt, efficient and satisfactory as possible.

This means real team work between the agent and the claim department. It is just as important that the agent establish in his own office adequate facilities for making out and transmitting claim reports as it is to be equipped with proper manuals. The impression the client gets when he reports an accident to an agent is most important in establishing the standing and reputation of the agency.

Close cooperation of the agent and the claim department can produce the performance promised by the policy. The agent and adjuster can do much to improve the quality of the insurance product and it is still quality that pays off in competition, he said.

Mr. Phillips and W. C. Moore, direc-

tor of education and research of General Adjustment Bureau, collaborated in conducting a panel on service and production aspects of fire and casualty claim handling.

Settling Fire Losses

Mr. Moore pointed out that losses make the insurance business. He described the producer's and adjuster's roles in loss adjustments and suggested what is proper to tell the insured before the loss and what after. He also delineated the adjuster's duties and responsibilities and correct adjustment procedure.

Two general fire rate methods in use, W. J. Baker, manager technical department of North America companies, said, are class, or minimum, where the same rate applies to the entire class without differential on individual risks, and schedule, or specific. This latter takes six major factors into consideration—construction, occupancy, exposure, protection, place, and time, and in general there are two types of schedules used, the universal mercantile and the analytic system, the principal difference being

that the universal mercantile schedule starts with a standard building in a standard city, with a rate sufficient to pay losses, expenses, and producing a 5% profit. The deficiencies or favorable features are compensated for by flat charges or credits.

The analytic system starts with an ordinary one-story brick building in an unprotected town, with a base rate of \$1. This is modified for underwriting experience of a territory and reduced as municipal protection improves. The deficiencies or favorable features in this case are on a percentage basis, thus maintaining a relativity so that a defect in a poor risk contributes more to the final rate than a similar defect in a good risk.

The principal advantages in schedule rating are that it provides more equitable rates by eliminating individual judgment; it provides a need for more thorough inspections; it eliminates criticism, since anyone interested can understand better how rates are made; it provides an incentive to improve risks by reducing rates through improved construction or the elimination of fire hazards.

Fundamentally, fire prevention consists of either removing a hazard, isolating it, or protecting it with proper extinguishing mediums. This not only re-

quires the knowledge of engineering and the chemistry of fire, but the standards or requirements of good construction, mechanical devices, and the operation and maintenance of various types of properties.

While prevention requires skilled engineering knowledge, it is still possible for the agent to be of benefit to his client, the company, and himself by application of some of the simpler fundamental principles. Considerable knowledge can be picked up by working closely with company engineers or consultation with the rating bureau.

However, study of the proper material is still a necessity in order to learn causes and classes of fires, types of hazards, standards of construction and operation, and types of first aid and extinguishing systems. When it comes to rate recommendations, the soundest advice is still to consult with the company engineer or the rating bureau.

Burton L. Youngman, public relations associate of Assn. of Casualty and Surety Companies, was the luncheon speaker Tuesday. He replaced Harold K. Philips, public relations manager of the association. Mr. Youngman discussed "How to Stump the Critics," pointing out reasons behind current criticism of the insurance business and offering some remedies.

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SEPARATE APPLICATIONS PROVIDED FOR BLANKET FIDELITY BONDS

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License _____
Grain Warehouseman _____
Public Official _____
Contract _____
Loan Securitization _____
Priority _____
Federal _____

Name of applicant _____
Address _____
Amount of bond \$ _____
For the position _____
purpose of _____ To be dated _____ (City) _____
Is this a new bond? ☐ (Give exact and complete name of obligor)
Applicant's occupation _____ naming _____
Applicant's Age _____ Single ☐ Married ☐ _____
Applicant's Address _____

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is WESTERN SURETY'S new idea of eliminating red tape by the discarding of a multitude of separate applications for each type of fidelity or surety bond.

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A. AN APPLICATION FOR BOND - ANY KIND. We have developed a combination application blank that applies to any bond.

B. AN ORDER BLANK may be used in place of an application for non hazardous types of bonds when the agent knows the applicant well and will unqualifiedly recommend him.

Would you like to see the two new blanks we have developed, which replace all other applications.

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PREVIEW OF 1950 STATEMENTS

Combined Fire-Casualty Blank Is Dissected

The new combined fire and casualty blank is the product of a 2- or 3-year collaboration between special committees of casualty and fire interests and the committee on blanks of National Assn. of Insurance Commissioners, headed by T. F. Tarbell and Joseph Collins, respectively.

In devising the blank, many technical difficulties had to be overcome and a number of controversial points resolved, some of which went practically to the heart of insurance accounting and annual statement philosophy.

The blank was motivated primarily by the desire of companies to get their annual statements on a basis more comparable with modern practice in other lines of business, and the urgent need of a combined fire and casualty statement due to the rapid development of multiple line underwriting.

Most of the controversial points stem from the fact that these statements are primarily for the information and use of state insurance departments, which were naturally unwilling to forego any information or safeguard which they considered they should have in line with their responsibility in supervising companies of all sizes and degrees of financial strength.

The new blank covers the same ground as five previous blanks, stock fire, mutual fire, foreign fire, miscellaneous and reciprocal. There are two vital differences in the blank as compared with its predecessors: (1) the balance sheet and income statement, which supplants the old gain and loss exhibit, are the main features, and (2) these are presented with a minimum of detail, all supporting data being re-

gated to exhibits or so-called parts of the gain and loss exhibit. This income statement is on the incurred or revenue basis, although cash basis figures appear in some of the so-called parts and in the reconciliation of ledger assets which is included as an exhibit.

The asset page has been greatly simplified, the number of items having been reduced from 58 to 19. Much of this reduction results from the simplification of premiums in course of collection which are no longer broken down by line of business.

Different Methods Create Problem

The different methods of handling this item in the fire and casualty businesses, respectively, created one of the principal problems to be solved in arriving at a combined statement. The manner in which it was solved is indicated by the title "Agents' balances or uncollected premiums," providing for the entry of such items on either basis. However, uncollected premiums are to be shown net as to commissions, instead of gross as formerly.

This asset page does away with the segregation according to ledger, non-ledger and non-admitted assets. Bonds, stocks and real estate are each reported in one figure at values which might be, but are not, termed "statement values." In the case of bonds and stocks, the basis of valuation must be stated in a footnote.

Interest, dividends and real estate income due and accrued are reported in one item and the breakdown is relegated to part 1 of the underwriting and investment exhibit.

The liability page has been reduced

from 52 to 28 items, including about the same number of blank lines as formerly. Outstanding losses are reported in one item, with reference to part 3A for details. Loss adjustment expenses are handled similarly. Commissions are entirely eliminated except one line for contingent commissions and other similar charges, as in the old fire blank. Accrued expenses and taxes, licenses and fees are broken down between underwriting and investment to agree with the general scheme of reporting paid expenses in part 4. A new item "amounts withheld or retained by company for account of others" will obviate the necessity of writing in such items as income taxes, etc., deducted from payrolls but withheld as of date of statement. There are also other changes due to the revision of schedule P.

On page 4 appears the summarization of the underwriting and investment exhibit designated as "statement of income" and another exhibit "capital and surplus account." Taken together, these exhibits cover the same ground as the underwriting and investment exhibit in the old miscellaneous and fire blanks. The number of items has been considerably reduced, however, due to the use of sub-exhibits for the development of practically all detail. This so-called "statement of income" is split into three parts—underwriting income, investment income and other income, and develops net income both before and after federal income taxes.

"Miscellaneous Exhibit" Out

The capital and surplus account takes the place of the "miscellaneous exhibit" of the old underwriting and investment exhibit with some elaborations and changes, however. The gain or loss from change in difference in non-admitted assets is reported here, whereas these were treated as underwriting profit and loss items in the old statement. Due to action taken by the committee on blanks in 1950 independently of the adoption of this blank, surplus changes due to disallowance of unauthorized reinsurance are reflected here instead of being treated as underwriting items. This exhibit balances on surplus to policyholders instead of surplus alone, as previously. Provision is made for detailing surplus changes with greater elaboration than previously, and capital changes are of course detailed here for the first time.

The supplementary parts of the underwriting and investment exhibit develop various items required for balance sheet, statement of income and capital and surplus account purposes. While these are designated as "parts" of the underwriting and investment exhibit, they are actually in the nature of supplementary exhibits.

How Income Earned Is Developed

Part 1 develops income earned during the year on the various classes of assets, and a figure for net investment income after deducting investment expenses. It starts with the amounts collected during the year less paid for accrued on purchases, and adjusts between years for paid in advance and due and accrued items. The investment expenses which are deducted are developed in detail in another exhibit, part 4. Provision is made for inclusion of depreciation on real estate as an investment expense for companies which depreciate annually on a formula basis, and any depreciation so entered is deducted from decreases by adjustment in book value in part 1A. This treatment represents an innovation with this statement. This part 1 of course supplies the balance sheet advance and due and accrued interest and rent items as well as the net investment income item for the statement of income.

Part 1A—capital gains and losses on investments—shows in detail the various investment profit and loss items and provides for distribution of the net total of such items according to whether they are realized or unrealized capital gains or losses. The realized net total is carried to the investment income section of the statement of income, and

the unrealized net total to the capital and surplus account. While the idea of this distinction is not new, it has been incorporated here for the first time.

Part 2 develops earned premiums by line of business starting with premiums written and adjusting for unearned premiums between years. The unearned premiums for the current year are in turn developed in part 2B.

Part 2A develops premiums in force by line in the usual manner, and part 2B is the recapitulation of all premiums from which the unearned premium reserve is obtained. The additional reserve on non-cancellable accident and health policies is included in the unearned premium reserve whereas it was formerly set up as a separate item on the liability page. The unearned premium reserve on fire business running more than one year is developed in part 2C by use of the usual annual fractions.

Part 3 shows losses paid less salvage by line of business in the same manner as in the old claim block on page 3. The net claim payments are then adjusted for unpaid items between years to produce losses incurred by line. A feature of this exhibit is that the incurred loss ratios by line of business are given in the last column.

Unpaid Losses Shown by Line

Part 3A develops net unpaid losses by line as on the old liability page, and also shows unpaid loss adjustment expenses by line. There are two new features here, both adopted in 1950 independently of any general blank revision. One is the inclusion of a reserve for deferred maternity benefits on the accident and health lines and the other is the listing of the schedule P lines with the other lines of business insofar as unpaid losses and loss adjustment expenses are concerned.

Part 4 provides a breakdown of all expenses and taxes (except federal income taxes) into loss adjustment expenses, other underwriting expenses and investment expenses. It provides the same breakdown on a cash basis as appeared on page 3 of the 1949 miscellaneous and fire blanks. At the bottom of the page, these expenses are adjusted in total by unpaid items between years to arrive at the incurred totals for the three categories mentioned above.

Exhibits 1, 2 and 3 were referred to in previous editions as parts 5, 5A and 6. They are the last vestigial remains of the concept of ledger, non-ledger and non-admitted assets, and of the time-proven device and safeguard of balancing the statement between years on ledger assets. Without these exhibits this revenue basis statement would not have been acceptable to those responsible for supervising the fire and casualty business.

Exhibit Changes Reviewed

Exhibit 1 is in brief the present asset page in summary form, with columns for ledger, non-ledger, non-admitted and net admitted assets.

Exhibit 2 analyzes the changes in non-admitted assets between years. The total net change figure is carried to the capital and surplus account.

Exhibit 3 is the reconciliation of ledger assets between years, and incidentally shows some figures on the cash basis which are not otherwise available in this statement.

Most of the schedules reflect few, if any, changes. There is a new schedule K for developing the loss reserve on credit business. Schedule O is broadened to include auto physical damage but is not required for general fire business.

As to schedule P for the 1950 fire and casualty statement, in parts 1 and 2, loss and loss expense reserves have been completely separated. Columns for loss expense reserves pertaining to case basis loss estimates have been inserted immediately after the case basis loss reserves in each schedule.

In part 1 the "schedule of experience" is split into two sections: Section A—auto liability; section B—liability other than auto. The reserve calculation, how-

specialty covers

for contractors

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Both parts 1 and 2 now show only five separate years of experience in the first period instead of seven years as formerly.

Part 3 is now split into three parts—auto liability, liability other than auto and compensation. Consistent with the changes made in parts 1 and 2, loss expense is excluded from this schedule for incurred loss years 1930 and upward.

Adjustment Expense Separated

Losses and loss adjustment expenses for the schedule P lines are now separated on the liability page. These schedule P lines are now listed the same as other lines of business in part 3A of the underwriting and investment exhibit—unpaid losses and loss adjustment expenses—and unpaid losses and expenses are treated separately. The unpaid losses appearing in this exhibit are the case basis loss reserves reported in schedule P. The excess of the liability and compensation statutory and voluntary reserves over case basis and loss expense reserves is set up on the liability page as a separate item. The change in this excess from year to year is entered in the capital and surplus account of the underwriting and investment exhibit and, therefore, does not affect underwriting results.

HIP Will Try Health

Experiment in N. Y. City

The Health Insurance Plan of Greater New York will inaugurate Sept. 1 a health experiment among 500 selected families enrolled in the plan. It will test a system designed to keep entire families mentally and physically fit by preventive measures. More than 300 doctors, social workers and medical technicians will cooperate.

Organizations participating in the plan are the Community Service Society, Montefiore Hospital and Columbia University's College of Physicians & Surgeons. The participating families already receive medical care on a prepaid basis through the HIP. In addition, families participating in the experiment will receive general health instructions, specific medical treatment including dentistry plus a thorough confidential discussion of occupational, vocational and mental activities that might have a bearing on health.

Compulsory Plane Liability

Bill Opposed by Starling

WASHINGTON — Because he said his group is unalterably opposed to being the recipient of "business by compulsion," Howard M. Starling, Washington representative, Assn. of Casualty & Surety Companies, appeared before a House interstate commerce subcommittee in opposition to the bill of Rep. McGuire, Connecticut, which, according to Mr. Starling, would require all private airplanes to carry public liability and property damage coverage.

The civil aeronautics board supported the bill, designated as an aviation financial responsibility act, with amendments. The hearing adjourned subject to call but with the prospect the bill would not be passed this session.

Ontario Agents Hit Groups

Based on C. of C. Rolls

TORONTO — Insurance Agents Assn. of Ontario has sent out a bulletin criticizing "one of the foremost Canadian life insurance companies" on the grounds of writing group policies through local chambers of commerce. The bulletin explains that this company is writing a plan which provides group life and accident for the families of employees of retail merchants and comments that it appears that membership in the local chamber of commerce qualifies a merchant and his staff to participate regardless of vocation.

The bulletin maintains that such cov-

erage violates the common employer test and points out that the sale of insurance at group rates will cut sharply into individual sales. "Why would anyone buy at individual rates that could be obtained at group rates with no restraint on what may be termed a group?" asks the Ontario memorandum.

The statement continues: "Unlike a professional body the members of the chambers of commerce haven't even the excuse of common employment, but represent all shades of activity. We contend, therefore, that the plan is not a proper function of the chamber of commerce, which is an organization of individuals whose business security and prosperity rest upon the principle of private enterprise. This plan violates this very principle for it virtually creates a monopoly. If we accept such a condition, we might as well accept the idea of socialized insurance. The final effect on the public is the same."

Continental Has Wis. Rally

Forty-three agents of Continental Casualty in Wisconsin were guests at a vacation convention at Deer Trail Lodge, Heafford Junction, Wis., after having qualified in a recent contest. John D. Rogers, resident vice-president at Milwaukee, was host.

Rooney Heads New Jersey Casualty Underwriters

Casualty Underwriters Assn. of New Jersey at its annual meeting in Newark elected John B. Rooney, Loyalty group, president;

P. A. S. Rogers, U. S. F. & G., vice-president; Ralph W. Hawkins, New Amsterdam Casualty, treasurer; Nelson Patchett, Car & General, secretary, and John W. Young, London & Lancashire Indemnity; W. A. Sadler, Century Indemnity, and John H. Nolan, Aetna Casualty, executive committee-men.

Mr. Rooney, manager of the Newark branch of Commercial Casualty and Metropolitan Casualty, served in the 1937 New Jersey legislature and was chairman of the insurance committee. He resigned from the assembly in 1938 to become zoning commissioner of Newark, a position he has held for 12 years. Retiring President John Young of



J. B. Rooney

London & Lancashire Indemnity was presented a traveling bag for the association by Mr. Sadler.

Insurance Aid to Industry

HARTFORD—The major role of insurance in America's industrial development has been to lift the burden of risk from management's shoulders, Jesse W. Randall, president of Travelers, told Manufacturers Assn. of Hartford County at its annual meeting.

Mr. Randall said prudent investment in industrial insurance programs allows management to tackle the normal risks of competition and business without fear of natural catastrophe and damage suits. He cited as an example Monsanto Chemical Co., which was able to recover from the Texas City explosion because of adequate insurance coverage.

He warned about buying insurance protection in a haphazard fashion. "Be as careful about it as you are about buying your raw materials or your new machinery," he advised.

Mrs. H. C. Seitz has been elected president of H. C. Seitz Adjusters, Oklahoma City, succeeding her late husband. J. K. McIntyre, vice-president, is manager.

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Canadians Great Hosts at N.A.I.C. Annual Parley

(CONTINUED FROM PAGE 21)

on the place of the 1951 winter meeting. A persuasive invitation had been presented by Commissioner Jorge Font Saldana of Puerto Rico to have the meeting at San Juan. The matter was referred to a subcommittee of three and this committee begged off on making a decision and left it to the entire convention. Then it was decided to put off the decision until December. Going to Puerto Rico is a gesture that many of the leaders would like to make but there are misgivings that it might be construed as too much of a junket.

In connection with the December meeting at Los Angeles, there were invitations from the governor and other dignitaries from the Islands to organize a post-convention trip to Hawaii. George Brown, who is a native of Ohio and is the Hawaiian territorial treasurer and ex officio insurance commissioner, was present with his wife and mother and he was urging such a trip.

One of the services provided by the Canadians that was the most highly appreciated was getting out committee reports quickly and in sufficient number. Some 200 copies were run off of each and were generally available. Canadian life companies transported a corps of typists to Quebec and they worked at a feverish pace to perform this service.

One of the outstanding accomplishments of the week was the adoption after several years of painstaking deliberations of a new uniform provisions bill for accident and health insurance. When this action was taken the convention applauded Donald Knowlton, the New Hampshire commissioner, who has been chairman of the A. & H. committee and who has guided this laborious project.

At a meeting of all-industry committee Chase Smith of the Kemper companies was named chairman of a sub-

committee to take a gander at the interstate idea for insurance supervision scheme. There will be a meeting at New York Sept. 21-22 to lay the groundwork for a report to N.A.I.C. in December.

John Stott of Norwich, N. Y., was chosen as chairman of a subcommittee on uniform agents and brokers licensing legislation.

Mr. Allyn let it be known that in his new committee set-up he will arrange to have a commissioner serve on not more than two committees. There has been criticism that commissioners who are asked to serve on many committees are not able to concentrate sufficiently on any one assignment.

EYE FTC QUESTION

The committee on liaison with federal trade commission held a brief session at which Larson of Florida presided. Those present were asked to report any first-hand contacts they may have had with FTC or any knowledge of FTC excursions into the insurance realm. Cecil C. Fraizer, general counsel of H. & A. Underwriters Conference, reported that he had just made a 2-day visit to FTC during which he was told that FTC respects the N. A. I. C. liaison committee and desires to have continuing relationships with that group.

Harrington of Massachusetts voiced the belief that FTC is proceeding on the theory that it is the quality of state supervision, rather than the statutory framework, that is to determine whether FTC or the state is to be the regulatory authority.

Forbes of Michigan recalled that at one of the meetings with FTC he asked whether FTC is to be a supreme court to pass on the sufficiency of state administration. The only answer that was

given was: "You have asked the \$64 question."

A. Alvis Layne, Jr., of the Washington law firm that is general counsel for Assn. of Insurance Advertisers, ventured the opinion that there is no contemplated extension of FTC authority. FTC, he said, has been complimentary in its references to N. A. I. C., and means what it says. The rule administration department of FTC desires the submission of current advertising material of mail order companies.

It was brought out that Mr. Layne is preparing a memorandum on the significance of the U. S. Supreme Court decision in the case of Travelers Health vs. Virginia for Assn. of Insurance Advertisers and he expressed willingness to supply copies to the state officials.

In this connection Mr. Fraizer remarked that the all-industry committee has directed its subcommittee on unauthorized insurance to resurvey the unauthorized insurers service of process act in the light of the Virginia decision and also has asked the subcommittee to take a fresh look on the false advertising bill that had previously been shelved; that is to see whether legislation giving the states a grip on non-admitted companies by reason of advertising activities, as well as by virtue of claim practices, would have a good chance to get the green light from the Supreme Court.

A. & H. ACTIVITIES

Perhaps the outstanding accomplishment of the convention, from the standpoint of an important task completed, was the approval that was given to a new standard provisions bill for A. & H. Months and years of painstaking deliberations had preceded this action and at Quebec nothing was left to say. It was an illustration of the process that has to be gone through before a measure can be threshed out and refined to the point that the necessary degree of consensus on the part of state officials and the business is attained to warrant final approval.

At the A. & H. committee meeting over which Knowlton of New Hampshire presided, the only discussion was on the necessity of aggressive effort on the part of A. & H. leaders and the commissioners to see that the bill is enacted. For instance Jarvis Farley of Massachusetts Indemnity said there is no issue involved in connection with the bill but an intolerable situation would be created if by reason of failure to enact the measure in certain states an irreconcilable conflict would be set up between the laws and make it impossible for the insurers to issue uniform contracts. Momentum will be needed to carry the program through on a uniform basis.

Follmann Reinforces Plea

J. F. Follmann, Jr., of Bureau of A. & H. Underwriters echoed this exhortation. He pointed out that presently a company can issue a uniform policy across the nation with amendatory riders. If the new bill is not universally accepted, awkward problems would be created for insurer and insured. For instance there would be the problem of an insured who moves into a state where the laws conflict with the terms of his policy.

In the report of the A. & H. committee this warning was heeded. Failure to enact the legislation on a uniform basis in all states that do not now permit the approval of policies drawn in accordance with this bill would be unfortunate, the committee asserted. Cooperation by company and department officials is essential to insure uniform adoption. Rejection of the bill by N.A.I.C. would be preferable to the intolerable situation that would be created by a variety of state requirements.

After hearing Blue Cross-Blue Shield representatives recite their problems in connection with setting up nationwide group hospitalization contracts, the committee voted to establish a 5-man subcommittee to study the matter. This consists of Crichton of West Virginia, chairman; Hershey of Illinois; Leslie of Pennsylvania; Downey of California and Dineen of New York.

Blue Cross Questioned Sharply

These Blue Cross people were questioned sharply by some of the commissioners, who apparently felt that Blue Cross was getting out of its original and proper sphere in undertaking to digest these mammoth nationwide cases. One of the Blue Cross men told how his organization raced against time to provide what was wanted in the Bethlehem Steel contract. He praised the commissioners for having expedited the approval of filings that presented unusual factors. He recalled that last Dec. 1 labor and management each agreed to put up 5 cents an hour, which would be mainly used for pensions. They had a joint committee to decide how the money was to be used. There was a Feb. 1 deadline. It was not known how much if any would be available for hospitalization benefits. It was not until Jan. 10 that they told Blue Cross what they wanted. There were 17 Blue Cross plans affected. A Blue Cross committee was created. Bethlehem wanted a single rate per employee including dependents. There was no data available on the family situations of the employees. Each Blue Cross plan was asked to submit a rate for Bethlehem in its area on the coverage which differed from the standard Blue Cross contract. The Blue Cross committee was able to amalgamate the various tariffs into a composite rate. Filings had to be made with the various states and there was a big rush to get special clearance. The Maryland and Pennsylvania departments, he said, came through especially fast. The Lehigh Valley Blue Cross at Allentown was designated as the agent for dealing with the insurance board at Bethlehem. On March 1 an identical plan was instituted for U. S. Steel with the Pittsburgh plan as the agent.

Criticism by Crichton

Crichton of West Virginia remarked that 8% of the premium is reserved in the Pittsburgh office and there is 2% to cover the Pittsburgh office expenses. That 2% he declared puts the West Virginia plan's expenses over the legal limit. The reply was that for this 2% Pittsburgh defrays such expenses as that for literature and keeping the records.

Mr. Crichton said if one plan goes broke the main agent assumes the liability. That means a Pennsylvania firm may be operating in another state in contravention of law. Who, he asks, owns the 8% reserve?

W. H. Bittel, New Jersey actuary, inquired about the status of the New Jersey plan in connection with the Bethlehem contract. He was told that the New Jersey plan is providing the coverage in accordance with its standard terms and rates and the Allentown plan is giving the excess in the form of cash indemnity. New Jersey didn't go into the syndicate. Mr. Bittel expressed surprise and indignation at this.

The Blue Cross representatives said that when Health Service, Inc., is licensed in all states, such problems as this will be done away with.

Holmes Assails Blue Cross

Holmes of Montana said the Blue Cross "foreigners" have come into his state and have engaged in bold advertising, especially on bill boards and the department has no jurisdiction over them. Why, he asked, don't they qualify like any other insurer?

Kavanaugh of Colorado said the same thing goes for his state. "They are the worst sharpshooters I have ever encountered," he declared. "We would like to see them operate on an ethical, if not a sound basis."

The atmosphere was getting purple

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Have you had experience and training in the Miscellaneous Casualty lines as a Trainee, Underwriter or Fieldman? The position that we have open is that of sales work and must be filled as soon as possible. If you are really interested in improving yourself and position and can make a change in the very near future, write us and tell us all about yourself. Send picture if possible. Address A-41, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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For aggressive Special Agent to work part of Indiana. Must have experience in automobile and general casualty. Experience in fire and allied lines very helpful. Salary, car and expenses furnished. Give complete information in reply. Write in confidence. Address A-57, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

H. & A. MAN WANTED

Fast growing company in Midwest desires man with health and accident experience in agency department of home office. Some group experience desirable. In reply give qualifications, age and salary expected. Replies strictly confidential. Address A-59, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY UNDERWRITER AVAILABLE

Man experienced in casualty, auto, glass, burglary, comp. and liab. desires position with Chicago company or agency. College graduate, married. Address A-61, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

and the committee shooed all the industry people out the room so that the commissioners could proceed with the Blue Cross people in camera.

On the matter of minimum requirements, benefits and fair trade practices, the decision was to stand by until the regulations under the new California law on the subject are completed. John R. Maloney of California observed that the California law becomes effective June 30 and the regulations have not yet been issued.

Since the matter of the need for revision of the Official Guide is somewhat dependent on the new standard provisions law, it was decided to wait for experience to mature under that statute before going over the Guide again.

Provision was made at Quebec for continuing the study of the idea of uniform agent and broker licensing laws. Knowlton of New Hampshire, the committee chairman, released a working draft of legislation based on suggestions that had been considered. All hands, he said, agreed that uniformity in this direction is desirable and the legislation should contain clear definitions of prospective licensees in all lines, examination procedures, and adequate power and authority in the commissioner.

Reference was made to the fact that a subcommittee of the all-industry committee was set up at Quebec to ascertain and reconcile all approaches to the problem, with John Stott of Norwich, N. Y., as chairman. The committee expressed the hope that the all-industry people would be able to report in December.

Two hearings were conducted at Quebec during the insurance commissioners' meeting on the question of reinsurance practices and there was something solid to go on in the discussions in the form of a 68-page study of reinsurance that had been completed by a committee of technicians and circulated prior to the convention. This study received much praise. For instance, Dineen of New York said that his department is much impressed with the quality of the work done in that report. Chase Smith of the Kemper organization had some criticisms to make but asserted that it is a fine report.

In the discussion of a recommendation that commissions on reinsurance ceded and assumed should not be paid to or accepted by directly or indirectly officers or employees of the insurer on whose behalf the reinsurance is placed or accepted, Charles Moorhead of the Florida department declared that such a provision against "secret profit" should not be confined to reinsurance. He said that secret payments of commissions to insurance company officers of all kinds should be barred.

Called "Form of Bribery"

Downey of California, head of the committee, said that "this is a form of commercial bribery that is all too frequent in all lines of American business."

The committee report, which was "received" contains a set of 10 conclusions. The decision was to continue the study and for the blanks and examinations committees to give concurrent attention to it, with the idea of paving the way for action in December. It was printed out that nothing could be done at Quebec to affect the 1950 statement blanks.

There was also submitted a suggested insolvency clause by Mr. Healy of Mendes & Mound, U. S. attorneys for London Lloyds.

Among the "conclusions" in the report are:

The transfer of risk from the ceding insurer to the reinsurer is the essential element of every true reinsurance contract. Unless the so-called reinsurance contract contains this essential element of risk transfer, no credit whatsoever shall be allowed on account thereof in any accounting or financial statement of the ceding insurer.

Credit in accounting and financial statements on account of reinsurance ceded should be based upon the actual value of the reinsurance and the security underlying its collectibility and not on



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the basis of the license status of the reinsurer.

No credit in accounting and financial statements on account of reinsurance ceded shall be allowed unless the reinsurance contract contains a proper insolvency clause.

No credit in accounting and financial statements shall be allowed on account of reinsurance ceded to any non-admitted reinsurer where the reinsurer is used as a mere conduit for transferring the risk to otherwise unacceptable reinsurers.

Credit in Statements

Credit in accounting and financial statements on account of reinsurance ceded to non-admitted reinsurers other than alien reinsurance shall be allowed (a) where it is demonstrated by the ceding insurer that such reinsurers maintain the same standards and meet the same financial requirements applicable to admitted insurers, or (b) to the extent of deposits by or funds withheld from such reinsurers pursuant to express provisions therefor in the reinsurance contract as security for the payment of obligations thereunder if such deposits or funds are held subject to withdrawal by, and under the control of, the ceding insurer.

Credit in accounting and financial statements on account of reinsurance ceded to alien reinsurers, excluding London Lloyds, shall be allowed only to the extent of the amount of deposits by and funds withheld from such alien reinsurers pursuant to express provision therefor in the reinsurance contracts as security for the payment of obligations thereunder if such deposits or funds are held subject to withdrawal by, and under the control of, the ceding insurer. In this connection, London Lloyds reinsurance should be given further study.

Deposits and funds withheld under reinsurance treaties shall be reported separately on the asset side of the financial statement of the ceding insurer, supported by a detailed schedule describing

the deposits or the securities in which the withheld funds are invested, and shall be valued only in accordance with the valuation standards of N.A.I.C. for assets of insurers.

Sliding Scale Question

Full credit against the unearned premium reserve shall be given for the portion thereof ceded by reinsurance under a contract which in fact transfers risk but provides for commission to the ceding insurer on a "sliding scale" dependent upon the incurred loss ratio during an accounting period. However, no credit for commission in excess of the minimum commission guaranteed, if any, shall be allowed prior to the completion of the accounting period stated in the contract.

Where the reinsurer is entitled to cancel the entire portfolio of reinsurance assumed, credit for commission shall be allowed to the ceding insurer only as and to the extent that such commission is actually earned.

Commissions on reinsurance ceded and assumed shall not be paid to or accepted by, directly or indirectly, officers or employees of the insurer on whose behalf the reinsurance is placed or accepted.

Workmen's Compensation Issue

At the final plenary session a tangle occurred in the consideration of the workmen's compensation committee report. The issue concerned a motion that was adopted by the committee regarding a specific factor for underwriting profit in the rate making formula. Harrington of Massachusetts entered strenuous objection to this and Gibbs of Texas defended it. The latter declared that the report is merely a statement of principle, that it does not specify any profit factor to be included in the formula but merely voices the principle that workmen's compensation insurance in a free enterprise system should be entitled to a profit. It is highly important, he said, to express the sentiment that in a free enterprise business is en-

titled to a reasonable profit. The report doesn't say how much the profit should be.

Mr. Harrington charged that Mr. Gibbs was dragging a red herring across the trail. He said that he had fought and bled for a profit formula but the question to be resolved is how the profit factor shall be incorporated into the rate structure.

In the voting the Gibbs' position was upheld 15 to 12. W. S. Smylie representing the Mississippi department, announced that Mississippi refrained from voting "for reasons of our own."

The committee report that was adopted also contained a resolution that was offered by Mr. Gibbs saying that the rules in compensation manuals in many states do not define clearly enough remuneration which forms the basis of premium computation. As a result, there is non-uniform and unfairly discriminatory application of the rules.

The committee, therefore, recommended that organizations responsible for the formation of the rules and supervisory authorities seek to achieve the maximum degree of clarity possible so that uniformity may be brought about.

Progress reports were received from Assn. of Casualty & Surety Companies and Mutual Insurance Advisory Assn. concerning expenses by size of risk study, the committee reported.

Mr. Bailey of the New York department introduced a report on a method of obtaining average commission rates by size of risk for a specific state and line of business. Mr. Bailey also presented a report from the industry committee on expenses by size of risk and also a statement from National Assn. of Insurance Agents.

EXAMINATIONS

N. A. I. C. at its Quebec convention adopted the report of the examinations committee which recommended that further study be given to the recommendation of zone 4 that disclosure be made in all reports of convention examinations of the salaries or other compensation of officers and directors. This recommendation will again be considered in December and at that time the industry will be given an opportunity to be heard.

Zone 4 was asked in December to submit definite phraseology to give effect to its recommendation that the convention examination report provide a separate section dealing with rates, rating bureau affiliations, and statistics pertaining to experience and rates. Zone 4 desires to have a section dealing with rate regulation problems.

Adopted was a zone 6 resolution that no adjustment shall be made to a financial statement as a result of any transaction consummated subsequent to the date as of which the examination is made. Such subsequent transaction shall not alter the balance sheet but may be described by a qualifying statement when supported by supporting data.

The state of Connecticut was designated as the home state of National Council on Compensation Insurance for the purpose of examination. Although the council is located at New York it does not act as rating organization for New York state.

A communication was received from Pennsylvania regarding the examination of rating organizations, underwriting pools, etc. It was the consensus that such examinations would be called as in the past and that the examinations should be channelled through the assistant secretary's office.

Commissioner Murphy of South Carolina initiated a discussion on the counting of securities held on custodial agreements with banks located at points removed from the companies' home office. Mr. Murphy agreed to furnish a written statement to all states, outlining his position on this subject, together with his suggestions for the proper language to be considered for inclusion in the manual of examination procedure.

Three lengthy sessions were held during the week by the committee on in-

surance in connection with installment sales headed by Larson of Florida. On these occasions detailed attention was given to a lengthy proposed code consisting of 15 points governing the writing of auto finance business. Much of this was beamed particularly at the so-called retrospective plan that has been developed by a few specialty organizations. James M. McCormack, former Tennessee commissioner, served as draftsman for the committee and during the week the code was revised in an attempt to dispose of the criticisms that had been voiced at the earlier hearings, but there was such a diversity of opinion that it was obvious final action was not possible.

National Assn. of Insurance Agents entered insistent objection to provisions in the code governing retrospective commissions. Advocates of the code sought to satisfy N. A. I. A. by proposing language that would make it plain that what was dealt with was retrospective commissions only, but the N. A. I. A. representatives consisting of John Neville, secretary, and Melvin Miller of Fort Worth, vice-president, were adamant. N. A. I. A. submitted a statement that there is no authority giving to the state supervisory authorities the right directly or indirectly to regulate commissions in any form.

Attention was called to an agreement made by N. A. I. C. with representatives of N. A. I. A. in June, 1946, reading:

"While the Commissioner should consider the expense components of a rate in order to determine its over-all correctness, the bill (all-industry rate bill) does not authorize the commissioner to regulate the actual disbursement made by the insurer for expenses."

The N. A. I. C. committee in its report stated that the industry has been conferring in an endeavor to eliminate the problems that have arisen in connection with auto finance business. Also the commissioners' committee has reviewed the rules and regulations that have been promulgated by various states dealing with this matter. There have been discussions of the question at various zone meetings and the N. A. I. C. committee has been in close touch with federal trade commission. There has been every indication of better understanding and an increased measure of cooperation between the industry and the commissioners' committee.

The committee urged that the individual commissioners continue this study with the industry or other interested parties, with the aim in view of considering final approval of N. A. I. C. of such rules or regulations at the December meeting.

Kirk Landon of Retrospective Underwriters of Miami was the leader on the part of the industry at the hearings in championing the proposed code.

During one of the hearings J. R. Maloney of California inquired who would be protected by the proposed rules controlling retrospective commissions. W. R. Snyder declared that the public would be protected because the rule would tend to prevent insolvency of insurers. Mr. Maloney shook his head at that explanation. Melvin Miller ventured the opinion that the public interest is not involved here; that rather it is an attempt to solve problems of the insurance companies by the commission control route.

INSTALLMENT ISSUE

The committee on deferred premium payments, in its report, which was adopted, expressed the conclusion that division of opinion within the industry relative to the availability of these plans will not be reconciled in the foreseeable future. However in some sections of the country the area of disagreement has been somewhat narrowed.

Many in the business believe that this matter may now be regulated under various state laws. Hence it appears futile for N. A. I. C. to conduct further hearings on this phase of the matter. The committee recommended that a

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state by state determination be made of the availability of these plans.

Each deferred payment plan raises such questions as those pertaining to reserve requirements and treatment of deferred premium payments as assets. These questions should be resolved nationally because they are common to all the plans.

The decision was that these common questions and areas of disagreement involved should be submitted to a committee of state technicians to be named by the subcommittee. The technicians will proceed promptly to hold hearings at which interested industry representatives from company and association ranks will appear. The technicians will be asked to report to the subcommittee not later than Nov. 1. Then an attempt will be made to prepare final recommendations for the December meeting of the commissioners.

The subcommittee also reported that J. Raymond Berry of National Board had informed the N. A. I. C. group that a group of experts is presently engaged in the task of developing statistical data to support the term rule. National Board has asked the experts to report within six months.

The subcommittee on the 1921 standard profit formula at a hearing heard a report from Dineen of New York on the matter of determining personnel and the method of financing the further study of the interest element in fire insurance rate making. This was referred to as "picking up the tab."

Study to Be Enlarged

J. R. Berry reported National Board had appointed a subcommittee of accountants that have studied the question and have recommended that the study be pursued by a larger group of about 15 accountants. Mutual fire companies and stock companies that are not members of National Board will be represented.

The subcommittee has been instructed to complete its work within six months and will consider possible expense savings in the writing of policies and without prejudice to the position of National Board that consideration of investment yields has no place in fire insurance rate making, the subcommittee will consider the amount of the return on moneys held by the insurers.

The subcommittee recommended that determination of whether independent actuaries should be engaged by the committee be deferred until such time as the study of the industry committee can be completed and its findings evaluated.

N.A.I.C. Personalities at Quebec Gathering

Bernard R. Stone, the Nebraska insurance director, had his treasury reduced on two occasions at Quebec during the N.A.I.C. convention. One evening his room was entered and his wallet taken which contained about \$160. Then he started using his side-trousers pocket for his money and at Taddousac when paying a taxi driver, the wd of bills that he fished from his pocket was blown from his hand into the river. It was a day of high winds and he was at a spot where it was particularly gusty.

During the course of the Saguenay river cruise, William Leary of the Oregon department was called to the microphone one evening and presented ceremoniously with a huge bouquet of vegetables on his 54th birthday anniversary.

Thor Wanless, insurance lawyer of Springfield, Ill., and Mrs. Wanless, were celebrating their 10th wedding anniversary and they entertained at cocktails for numerous friends.

Norman Harris, Minnesota commissioner, and Mrs. Harris were also celebrating a wedding anniversary and the occasion was the subject of a public announcement by President David Forbes.

Howard P. Dunham, retired vice-president of American Surety, former Connecticut commissioner and president of National Assn. of Insurance Commissioners, was accompanied by Mrs. Dunham. He was on hand especially to get Ellery Allyn started off in good style as the new N.A.I.C. president.

Surety Assn. of America group, headed by Martin Lewis, gave a cocktail party for the early arrivals prior to the official opening of the convention.

On the Saguenay cruise Georges Lafrance, Quebec superintendent, had as

his guests the two sons and the daughter of Prime Minister St. Laurent of Canada.

Gov. Peterson of Nebraska elevated several of those at Quebec to the rank of admirals in the Great Navy of the State of Nebraska. Commissioners were delivered by Insurance Director Stone of Nebraska at one of the sessions. The new admirals are: Commissioners Gaffney of New Jersey, Font of Puerto Rico, Burt of South Dakota, Leslie, Pennsylvania, Taylor, Oregon, and Leggett, Missouri, along with Oscar Kottler, Pennsylvania deputy, and A. A. Tousaw, assistant to the president of Sun Life of Montreal; A. Leslie Ham, manager, Dominion Board of Insurance Underwriters; Hugh S. Holland, of the same board; J. L. Kirkwood, and E. C. Anderson of Surety Assn. of America; James Donovan and James A. Cahill of National Bureau of Casualty Underwriters.

Also, at the end of the Saguenay cruise Mr. Stone conferred Nebraska admiral rank on the captain of the cruise ship Taddousac.

One of the diversions at the Quebec meeting of the commissioners was watching the shooting of scenes for the movie "Quebec" that had just started. This features 18-year-old John Barrymore, Jr., and the director is George Templeton. Barrymore and his associates were introduced to many of the commissioners group by Kirk Landon and W. R. Snyder of Retrospective Underwriters of Miami, who have numerous Hollywood connections.

Ellery Allyn and Mrs. Allyn were caught in a misadventure that spoiled some of their plans. Their 12 year old grandson was to join them for the Saguenay cruise but a mistake was made at the other end of the line and he was sent off by train a day late. Mrs. Allyn thus had to stay at Quebec and meet the boy and could not make the cruise.

Nancy Brown, chairman of Postal Life & Casualty of Kansas City, received word that a 21-year-old son had to undergo an appendectomy and she flew home instead of taking the train.

Walter Sheldon of W. A. Alexander & Co., Chicago, with Mrs. Sheldon and their 12-year-old son Walter, Jr., are making a motor trip through the Gaspé territory after attending the convention.

John MacArthur of Bankers Life & Casualty of Chicago and Mrs. MacArthur made the trip in their Bankers L. & C. plane and took several of the conventioners back to Chicago with them in that craft.

Northern, N. Y., Offering

Northern of New York is offering stockholders of record June 20 80,000 shares of \$12.50 par value capital stock on the basis of one new for each currently held share but prior to the 100% stock dividend recently declared. The offering is underwritten by First Boston Corp. and Wood, Struthers & Co.

The stock is expected to be offered at \$37.50. Subscription rights expire July 11.

Crawford Opens Seven Branches

Crawford & Co., adjusters, have opened seven new offices. Their locations and the name of the managers follows: Greenville, N. C., Stokes building, F. P. Howell; Charleston, S. C., Peoples building, E. Q. Key; Florence, S. C., 392 West Palmetto street, W. S. Hopkins; Wilmington, N. C., Murchison building, T. W. Perry; Ashe-



CALECHE FULL OF CAMPFOLLOWERS AT N.A.I.C. CONVENTION: Seated in rear, Frank J. Agnew, National Board, San Francisco; standing, Harry H. Fuller, deputy U. S. manager of Zurich; in driver's seat, Thomas Watters, National Board, and Clarence C. Klocks, Northwestern Mutual Life.

ville, N. C., Jackson building annex, W. D. Lide; Nashville, Chamber of Commerce building, T. P. Price; Daytona Beach, 118 1/2 Volusia avenue, W. F. Hooper.

The firm now has 32 branches and 115 full-time salaried adjusters operating in seven states.

J. R. Hall, Jr., on Own

John R. Hall, Jr., formerly manager of the insurance department of Blanchard & Calhoun at Augusta, Ga., has opened his own local agency in the Campbell building there. He is first vice-president and chairman of the executive committee of Georgia Assn. of Insurance Agents and is in line for election as president at the annual meeting at Savannah this week.

Anti-Security Coalition

Insurance companies, National Assn. of Manufacturers and American Medical Assn. have formed a coalition to block the expansion of social security, Oscar R. Ewing, federal security administrator, said in a talk at Hamilton, N. Y., before the youth division of the Democratic state committee. Mr. Ewing is being mentioned repeatedly as a pos-

sible Democratic candidate for governor of New York in the fall election.

\$67,000 for Airline Employee

NEW YORK—The widow of the navigator of a Trans World Airlines plane, who died when blown out of the astrodome on a trans-Atlantic flight, has received a settlement of \$67,000 in U. S. district court here. Mrs. George H. Hart had sued for \$250,000. The suit is said to be the first airline employee case involving an act of 1920, a federal law which provides that death on the high seas resulting from a wrongful act is cause for action against the vessel, person or corporation responsible. Heretofore actions have been confined to passengers.

The plane had reached within 500 miles of Newfoundland, when the astrodome lid flew off and the navigator was swept up and out as a result of air escaping from the pressurized cabin. The Civil Aeronautics Board found shortly after the accident that the plastic covering over the navigator's dome was improperly fastened and insufficiently strong.

J. W. Bryant, local agent, has been elected mayor of Lamesa, Tex.

Here's Another Anchor Income Builder for You!

SOLD ON A LOW COST FLAT PREMIUM BASIS

"Come what may," says Bos'n Dan, "competition is safely stowed away. You'll raise a host of sales on any sea of prospects with ANCHOR'S COMBINATION SERVICE STATION POLICY. It's as broad as a beam and all-inclusive." Economical? "Ahoy," he says. "Its low-cost, flat premium basis steers every buyer comfortably into port." Standard Coverage "here's a boat-load, mate!"

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| \$100 Inside, Outside Robbery, Safe Burglary, Home of Custodian. | \$1,000 Premises Property Damage (Hoist included) |
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| \$200 Damage to Premises—Burglary, Robbery. | \$1,000 Non-Ownership Property Damage. |
| \$10,000/20,000 Premises Liability | \$50 Deductible—Customer's Car Collision. |

Optional additional coverages . . . and higher limits? "You bet—and at little cost," says Bos'n Dan—"including Products and Defective Workmanship coverage."

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ANCHOR CASUALTY COMPANY

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INSURANCE NEWS BY SECTIONS

EASTERN STATES ACTIVITIES

Mass. Brokers to Vote on Full Time Secretary Post

BOSTON.—Insurance Brokers Assn. of Massachusetts will meet June 26 to vote on employment of a full time executive secretary and an increase in dues to pay the additional expense. The association has over 900 members and this action was recommended by the executive council. The proposed amendments increase the annual dues of active members from \$6 to \$10, abolish associate membership, which had annual dues of \$3 and authorize the executive council to employ an executive secretary and assistants, if needed.

In the notice of the meeting, F. H. Hitchcock, secretary, stated that the active role the association is playing in fighting proposals for socialized insurance has made the load on individual members too great and that the large increase in membership will support an executive secretary if the dues proposal is approved. The abolition of associate membership was recommended, Mr. Hitchcock explained, because the executive council felt that the association could not afford to make mailings and perform other services for anyone paying less than the fee for active membership.

B. B. Priest, counsel for Insurance Federation of Massachusetts, will report on legislative problems at the same meeting, particularly the referendum this fall on a flat rate for compulsory automobile insurance in the state.

Recognize New Haven Women

The New Haven Register recently carried a feature article on New Haven Assn. of Insurance Women, which now contains 125 members. It is the oldest group of its kind in the state and includes agents, loss adjusters, policy writers, secretaries, etc. Among the agents are Henriette B. Cahn, who has been operating the Cahn agency 20 years; Charlotte Rice, who is operating the agency of her late husband who was at one time mayor of New Haven; and Mrs. Helen North, who is active in the North agency operated by David A. North, past president of the National Assn. of Insurance Agents.

200 at D. C. Agents Outing

WASHINGTON — Superintendent Jordan, Deputy Superintendent Stout and Fire Marshal Roberts were guests at the annual outing of District of Columbia Assn. of Insurance Agents. More than 200 attended the event, which included golf, refreshments and dinner. Samuel Sugar was program chairman.

Smith Reelected President

E. Donald Smith has been reelected for a third term as president of Jamestown (N.Y.) Fire & Casualty Underwriters Assn. C. William Glatz is vice-president and Charles Magnuson, secretary. The association will be host to a regional meeting of the New York State association Sept. 18.

N. J. Retaliatory Bill Signed

TRENTON, N. J.—Gov. Driscoll has signed a bill which provides for retaliatory fees, taxes and regulations against companies whose home states charge higher fees, etc., than New Jersey.

Old Hose Carriage Rides Again

The William Penn Hose Carriage, a relic of the old volunteer firemen days, rolled again in the annual Insurance Society parade at Philadelphia. This famous carriage—once run by Hose

Company 18—was one of the most elaborate hose reels in the old Philadelphia volunteer fire department.

It was manned by members of Home's Philadelphia office, who were completely outfitted in the dress of the old volunteer firemen. It is a part of the H. V. Smith Museum of Home, dedicated to the preservation of fire fighting and fire protection relics and records.

Hold N. J. Golf Outings

Monmouth County (N. J.) Assn. of Insurance Agents held its annual golf tournament June 21 at the Manasquan River Country Club. In the evening there was a dinner, awarding of prizes and a talk by Lt. Comm. Conner of the naval ammunition depot. About 70 were in attendance.

Union County (N. J.) Assn. of Insurance Agents will hold its outing and golf tournament at Colonia Country Club June 29.

Lukens Speaks at Norwich

Robert H. Lukens, compensation and liability underwriter of Hartford Accident, talked on "Comprehensive Personal Liability Insurance" at a meeting of Underwriters Assn. of Norwich, Conn.

Mr. Lukens called this the one contract that most nearly covers the hazards faced by the normal individual. After explaining the coverage he presided at a question period.

COAST

Proposes \$7 Million Jump in Utah Fire Coverage

SALT LAKE CITY—A blanket increase of \$7 million on fire insurance covering all state-owned buildings was recently proposed by the Utah finance commission.

If adopted, the state would have a \$33 million fire schedule.

Utah Assn. of Insurance Agents arranged for valuations and surveys by company engineers. The reports showed the present schedule to be inadequate, particularly with state colleges and universities which have increased their values extensively since the war years. Commissioner Mulcahy indicated that the increased coverages will become effective by June 30.

Associations Get View of Air Fire Fighting Methods

Members of Denver Assn. of Insurance Agents and Fire Underwriters Assn. of the Mountain States were guests recently of Lowry air force base to witness a demonstration of the work of its department of fire fighting training.

The base, which is located at Denver, trains in this school the airmen and civilian fire chiefs who become crash-rescuemen and property protection specialists at U. S. air force bases throughout the world. The only school of its kind, fire fighting chiefs from other countries attend it.

Utah Assn. Brass Meet

The executive committee of Utah Assn. of Insurance Agents met with Frank C. Colridge, general manager Pacific Board, and Hugh S. Coburn, manager Boston, chairman of the board's advisory committee for Utah, San Francisco, at their June meeting. Topics discussed were the deposit pre-

mium for provisional reporting forms, the recent modification of the course of construction clause in dwelling policies and the non-existent American market for depreciation insurance.

Hayne Now U. W. Professor

Donald F. Hayne, a graduate of University of Wisconsin, will succeed John S. Bickley as acting assistant professor of insurance at the University of Washington in September. Mr. Bickley has become head of the insurance department of Ohio State University.

Mr. Hayne after receiving his master's degree in business administration has been working for a doctor's degree.

Blanket Club Elects Hansen

The reactivated Portland Blanket Club has elected David W. Hansen, American Associated, president. Joseph H. Smith, American Associated, is vice-president; Paul H. MacCaskill, W. Dee Morton agency, secretary, and Robert W. Schmeer, Jr., Schmeer agency, treasurer.

Davies & Donahue Names 2

Davies & Donahue, Seattle independent adjusters, have purchased the adjusting business of Ben I. Hayman, Yakima, and have named William Stobie, for the past three years with Arthur E. Campbell-Husted Co. at Seattle, as manager there.

Davies & Donahue also have established a branch at Longview, with Arthur H. Reed, formerly on the legal staff of the Great Northern Railroad, in charge.

Offers Safety Scholarships

To stimulate interest in two courses in driver education offered by University of California to secondary school teachers, Oakland Assn. of Insurance Agents has provided funds for a number of scholarships in this field.

Denver Golf Party June 27

Denver Assn. of Insurance Agents will hold its annual golf party June 27 at Wilshire Country Club. Dinner will be served and golf prizes awarded.

MIDDLE WEST

Perin Succeeds Merritt in Ohio Agents Group

Joseph C. Perin has been appointed educational director of Ohio Assn. of Insurance Agents to succeed James H. Merritt, who has become secretary of a trade association. Mr. Perin is a graduate of University of Cincinnati and is now working on his master's degree at Ohio State University.

Slate Wood for Trustee

The sixth district of Ohio Assn. of Insurance Agents, meeting at Fostoria, nominated John H. Wood, 2nd, of Genoa for trustee to succeed Frank B. Kass of Toledo. Election will take place at the state convention in September.

A meeting of the 9th district will be held at Youngstown June 29 to nominate a trustee to succeed J. Bryan Wollem of Cortland.

Columbus Trustees Named

Insurance Board of Columbus has elected as trustees John Gardiner, Norman Gatsch, J. Herbert Mumm, Dan D. Fulmer and Abe Wolman. Officers will be elected later by the trustees. Hoyt Whitney, president of Delaware County Assn. of Insurance Agents, told

of its activities in promoting good public relations. Harry McClain of Indianapolis, executive secretary of the Indiana association, pleaded for a strong organization and pointed out some of the factors that threaten the insurance industry.

The first district of the Ohio association nominated Dewey Black for state trustee.

Ashton Speaks at La Crosse

J. L. Ashton, president Wisconsin Assn. of Insurance Agents, Milwaukee, spoke on "The Functions of Associations" at a meeting of the newly organized La Crosse Assn. of Insurance Agents. He stressed the importance of militant organizations in the property writing business and discussed the part of the local agent in serving his own community and the insurance buying public. Urban Krier, executive secretary, also spoke.

Milw. Board Outing Set

The Milwaukee Board of Underwriters will hold a golf tournament and outing at North Shore Country Club on July 26. There will be other sports for non-golfers and a dinner.

Lincoln Safety Broadcasts

Lincoln (Neb.) Assn. of Insurance Agents, in cooperation with the Lincoln-Lancaster Safety Council, is sponsoring a series of four radio broadcasts on accident and fire prevention featuring panel discussions by local agents. On June 17, the subject was "Fire Prevention and Your Pocketbook;" July 15 it will be "Traffic Safety and Your Pocketbook;" on Aug. 19, "Fire Losses—the Hidden Cost," and Sept. 16, "Is the Underwriter the Loser?"

SOUTH

Require Insurance Brief on Va. Auto Installment Sales

The Virginia commissioner of motor vehicles has issued an order to automobile dealers on finance selling of automobiles which includes, among other things, the requirement that installment sales involving insurance must show the cost of insurance and a summary of insurance coverage as a separate item from the finance charges on the car.

Exchange Gets City Cover

The placement board of San Antonio Insurance Exchange has been designated by the city authorities to handle all of the city's insurance and also the San Antonio-Bexar County Hospital insurance.

New Okla. Small Town Rates

Oklahoma insurance board has approved a new schedule for fire insurance rates in unprotected towns and localities where no specific rates have been published. Commissioner Donald F. Dickey announced. The new schedule has been simplified and establishes several new classifications. It becomes effective June 19 on new and renewed policies.

Reelect Hollis President

Florida Assn. of Independent Adjusters at its annual meeting at Tampa, Fla., reelected all officers. T. J. Hollis, Orlando, continues as president; T. M. McElvee, Miami, as 1st vice-president; J. D. Pomeroy, Jacksonville, as 2nd vice-president, and J. E. Neblett, Tampa, as secretary.

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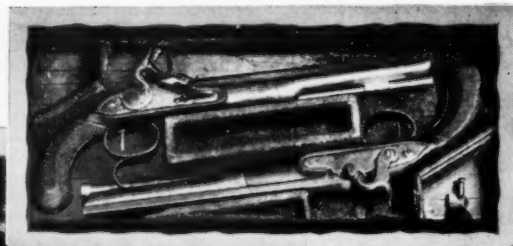


BELVIDERE

OUTPOST IN THE WILDERNESS



Belvidere near Wellsville, N.Y., has twenty-six rooms and thirteen fireplaces



History records the tragedy caused by this brace of pistols



Shaving mirror belonged to doctor who attended Hamilton in famous duel

INDIANS and wild animals populated the wilderness in southwestern New York where Philip Church brought his bride in 1805. After studying law in this country and England, he had served as secretary and aide-de-camp to his uncle, Alexander Hamilton. Philip's wife was the former Anna Matilda Stewart of Philadelphia, daughter of General Walter Stewart. Though the rugged frontier life was a test of the young couple's fortitude, they quickly adapted themselves to the new conditions and played a prominent part in the region's growth and development.

The property, a vast 100,000-acre tract originally owned by Robert Morris, had been acquired in 1800 by Philip's father, John Barker Church, who gave his son half interest in return for assuming its administration. First making an exploratory expe-

dition, Philip chose the site for his farm and future home on the banks of the Genesee River. Here a sawmill and gristmill were built and then the home where he brought his bride. It was known as the White House because it was the only painted structure in western New York.

In 1810, Belvidere, the Churches' permanent home, was completed. Designed by Benjamin Latrobe, it was built of stones from a nearby creek and bricks made on the premises. Privately owned today, it is one of this country's purest examples of classic revival architecture.

The Churches maintained friendly relations with the neighboring Indians and always set aside choice farm lands for their use. Each spring the tribesmen planted corn at Belvidere, returning in the fall for the harvest. To Mrs. Church they gave the name Ye-nun-ke-a-wa, meaning "The first white woman who has come" and in Philip's absence during the war of 1812 they offered to place a guard around the house for her protection from enemy marauders.

Until fairly recent years a set of dueling pistols were among Belvidere's prized mementos. Originally belonging to John Barker Church, they were used on three occasions in which the Churches were more or less directly involved. The first was a duel between John Church and Aaron Burr, in which neither participant was injured. The second was the duel in which Philip acted as second to Alexander Hamilton's son Philip when young Hamilton was killed. The third, fought on the same spot, was the famous Hamilton-Burr duel in which Hamilton was fatally wounded.

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